

605. By Mr. REID of Illinois: Resolution of the Du Page County Executive Committee of the American Legion, Department of Illinois, protesting against the official recognition by the United States of America of the Union of Soviet Socialist Republics; to the Committee on Foreign Affairs.

606. By Mr. RUDD: Petition of E. A. Bromund Co., New York City, favoring the President's public-works program on local undertakings, particularly grade-crossing eliminations throughout the country at an ultimate cost of \$6,000,000,000; to the Committee on Labor.

607. Also, petition of J. L. Taylor & Co., wholesale custom tailors, New York, favoring the 30-hour work week with certain reservations; to the Committee on Labor.

608. By Mr. SINCLAIR: Petition of Hettinger County Taxpayers' Association, urging the enactment of legislation for the use of ethyl alcohol as a motor fuel; to the Committee on Ways and Means.

609. By Mr. SUTPHIN: Petition of Chamber of Commerce of New Brunswick, N.J., voicing objection to the Black bill (S. 158); to the Committee on Labor.

610. By Mr. SWICK: Petition of city of New Castle, Lawrence County, Pa., by the mayor and members of council in regular session, urging an early report from the Army engineers, to whom has been referred the matter of canalization of the Beaver and Mahoning Rivers, and that all necessary action be taken to have this project placed on the President's work-relief program; to the Committee on Rivers and Harbors.

611. By Mr. TRAEGER: Memorial of the Legislature of the State of California, dated April 4, 1933, urging enactment of legislation relating to banks so as to provide a system of insurance to protect bank depositors through the payment of premiums by each of said banks, according to its strength, resources, deposits, and other relating factors with regard to banking, and to place such an insurance system under the supervision of the Secretary of the Treasury, with power to determine the rate and proportion of premiums to be paid by each bank; to the Committee on Banking and Currency.

612. Also, petition of the Assembly and Senate of the State of California, dated April 10, 1933, to the Congress of the United States, to accept the cemetery situated at Sawtelle, Calif., as a national cemetery; to the Committee on Military Affairs.

613. Also, memorial of the Assembly and the Senate of the State of California, dated January 26, 1933, urging passage of legislation to effect or permit the issuance of postage stamps commemorating the sixtieth anniversary of the planting of the parent Washington navel orange trees in honor of California citrus industry; to the Committee on the Post Office and Post Roads.

614. By Mr. WATSON: Resolution adopted by the American Federation of Full Fashioned Hosiery Workers, Quakertown, Pa., favoring the 30-hour 5-day week bill; to the Committee on Labor.

615. By Mr. WELCH: Petition of California State Legislature, Assembly Joint Resolution No. 25, relative to memorializing and petitioning the President of the United States and Congress to accept the cemetery situated at Sawtelle as a national cemetery; to the Committee on Military Affairs.

SENATE

FRIDAY, APRIL 21, 1933

(Legislative day of Monday, Apr. 17, 1933)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

MESSAGE FROM THE HOUSE

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had agreed to the amendment of the Senate to the concurrent resolution (H.Con.Res. 15) creating a joint committee to investigate the causes of the wrecks of dirigibles.

The message also announced that the House had passed a bill (H.R. 5040) to extend the gasoline tax for 1 year, to modify postage rates on mail matter, and for other purposes, in which it requested the concurrence of the Senate.

CALL OF THE ROLL

Mr. LEWIS. I note the absence of a quorum and move a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Ieyes	Reynolds
Ashurst	Couzens	King	Robinson, Ark.
Austin	Cutting	La Follette	Robinson, Ind.
Bachman	Dickinson	Lewis	Russell
Bailey	Dieterich	Logan	Schall
Bankhead	Dill	Loneragan	Sheppard
Barbour	Duffy	Long	Shipstead
Barkley	Erickson	McAdoo	Smith
Black	Fletcher	McCarran	Steiwer
Bone	Frazier	McGill	Stephens
Borah	George	McKellar	Thomas, Okla.
Brown	Glass	McNary	Thomas, Utah
Bulkley	Goldsborough	Metcalf	Townsend
Bulow	Gore	Murphy	Trammell
Byrd	Hale	Neely	Tydings
Byrnes	Harrison	Norbeck	Vandenberg
Capper	Hastings	Norris	Van Nuys
Caraway	Hatfield	Nye	Wagner
Carey	Hayden	Overton	Walcott
Clark	Hebert	Patterson	Walsh
Connally	Johnson	Pittman	Wheeler
Coolidge	Kean	Pope	White
Copeland	Kendrick	Reed	

Mr. LEWIS. I wish to announce that the Senator from New Mexico [Mr. BRATTON] is necessarily detained from the Senate. I ask that this announcement may stand for the day.

Mr. REED. I desire again to announce that my colleague [Mr. DAVIS] is absent from the Senate on account of illness.

The PRESIDING OFFICER. Ninety-one Senators have answered to their names. A quorum is present.

THE JOURNAL

On motion of Mr. ROBINSON of Arkansas, and by unanimous consent, the reading of the Journal for the calendar days of April 17, 18, 19, and 20 was dispensed with, and the Journal was approved.

JOINT COMMITTEE TO INVESTIGATE DIRIGIBLE DISASTERS

The VICE PRESIDENT. The Chair appoints the Senator from Utah [Mr. KING], the Senator from Massachusetts [Mr. WALSH], the Senator from Wisconsin [Mr. DUFFY], the Senator from California [Mr. JOHNSON], and the Senator from New Jersey [Mr. KEAN] as the members on the part of the Senate of the joint select committee created, under House Concurrent Resolution 15, to investigate the wreck of the U.S.S. Akron and other Army and Navy dirigibles.

CHANGE IN DATE OF THE INAUGURATION

The VICE PRESIDENT laid before the Senate a letter from the Governor of the State of Iowa, enclosing certified copy of a joint resolution adopted by the Legislature of Iowa, ratifying the twentieth amendment to the Constitution, fixing the commencement of the terms of President and Vice President and Members of Congress, and fixing the time of the assembling of Congress, which, with the accompanying papers, was ordered to lie on the table and to be printed in the Record, as follows:

STATE OF IOWA,
EXECUTIVE OFFICE,
Des Moines, April 19, 1933.

Hon. JOHN N. GARNER,

Vice President, Washington, D.C.

SIR: I am herewith enclosing a certified copy of a resolution of the forty-fifth general assembly entitled "A joint resolution and

enactment ratifying a proposed amendment to the Constitution of the United States of America relating to the President and Vice President of the United States and to the Congress of said United States and to the Members of said Congress", which resolution was ratified January 20, 1933.

Yours very truly,

CLYDE L. HERRING, Governor.

STATE OF IOWA,
EXECUTIVE DEPARTMENT.

To all to whom these presents shall come, greeting:

I certify that the copy hereto attached is a true copy of joint resolution entitled "A joint resolution and enactment ratifying a proposed amendment to the Constitution of the United States of America relating to the President and Vice President of the United States and to the Congress of said United States and to the Members of said Congress."

In testimony whereof I have hereunto set my hand and affixed the great seal of the State of Iowa, at the city of Des Moines, this 19th day of April A.D. 1933.

[SEAL]

Attest:

CLYDE L. HERRING, Governor

Mrs. ALEX MILLER, Secretary of State.

Senate Joint Resolution 4 (by Myers)

A joint resolution and enactment ratifying a proposed amendment to the Constitution of the United States of America relating to the President and Vice President of the said United States and to the Congress of said United States and to the Members of said Congress

Whereas the Seventy-second Congress of the United States of America, duly assembled, on or about the 3d day of March 1932, by a resolution duly concurred in by a constitutional majority of both Houses of said Congress, did submit to the legislatures of the several States of said United States for ratification a proposal to amend the Constitution of the United States of America; and

Whereas said resolution and proposed amendment is in words and figures as follows, to wit:

"Joint resolution proposing an amendment to the Constitution of the United States fixing the commencement of the terms of President and Vice President and Members of Congress and fixing the time of the assembling of Congress

"Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two thirds of each House concurring therein), That the following amendment to the Constitution be, and hereby is, proposed to the States, to become valid as a part of said Constitution when ratified by the legislatures of the several States as provided in the Constitution:

"ARTICLE —

"SECTION 1. The terms of the President and Vice President shall end at noon on the 20th day of January, and the terms of Senators and Representatives at noon on the 3d day of January, of the years in which such terms would have ended if this article had not been ratified, and the terms of their successors shall then begin.

"SEC. 2. The Congress shall assemble at least once in every year, and such meeting shall begin at noon on the 3d day of January unless they shall by law appoint a different day.

"SEC. 3. If, at the time fixed for the beginning of the term of the President, the President-elect shall have died, the Vice-President-elect shall become President. If a President shall not have been chosen before the time fixed for the beginning of his term, or if the President-elect shall have failed to qualify, then the Vice-President-elect shall act as President until a President shall have qualified; and the Congress may by law provide for the case wherein neither a President-elect nor a Vice-President-elect shall have qualified, declaring who shall then act as President, or the manner in which one who is to act shall be selected, and such person shall act accordingly until a President or Vice President shall have qualified.

"SEC. 4. The Congress may by law provide for the case of the death of any of the persons from whom the House of Representatives may choose a President whenever the right of choice shall have devolved upon them, and for the case of the death of any of the persons from whom the Senate may choose a Vice President whenever the right of choice shall have devolved upon them.

"SEC. 5. Sections 1 and 2 shall take effect on the 15th day of October following the ratification of this article.

"SEC. 6. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three fourths of the several States within 7 years from the date of its submission."

Now, therefore—

Be it enacted and resolved by the General Assembly of the State of Iowa, That said proposed amendment to the Constitution of the United States of America as set forth herein under sections 1 to 6, inclusive, of the said resolution of the said Congress is hereby ratified and consented to by the State of Iowa and by the general assembly thereof; be it further

Resolved and enacted, That copies of this enactment and resolution, duly certified to by the Governor of the State of Iowa and attested by the secretary of state of the State of Iowa, under the seal of the said State, be forthwith forwarded by said Governor to

the Secretary of State of the United States, and to the Presiding Officers of each House of the Congress of the United States.

N. G. KRASCHER,
Lieutenant Governor.
GEO. E. MILLER,
Speaker of the House.
BYRON G. ALLEN,
Secretary of the Senate.

Approved January 20, 1933.

CLYDE L. HERRING, Governor.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of the State of Michigan, which was referred to the Committee on Agriculture and Forestry:

STATE OF MICHIGAN,

FIFTY-SEVENTH LEGISLATURE, REGULAR SESSION OF 1933.

Senate Concurrent Resolution 35, requesting legislatures of other States to memorialize the Congress of the United States to pass Senate bill No. 1197, known as "the Frazier bill", providing that existing farm indebtedness shall be refinanced by the Government of the United States

Whereas a crisis exists and hundreds of thousands of once-prosperous farmers in this Nation have already lost their homes and their all by mortgage foreclosures because of the fact that the price of agricultural products has for years been below the cost of production, a condition that affects all of the people of this Nation and is largely responsible for the continuance of the depression; and

Whereas there is no adequate way of refinancing existing agricultural indebtedness and the farmers are at the mercy of their mortgagees and creditors; and

Whereas unless immediate relief is given, thousands and hundreds of thousands of additional farmers will lose their farms and their homes and millions more will be forced into our cities and villages and the army of unemployed will necessarily increase to alarming proportions, precipitating a condition that threatens the very life of this Nation; and

Whereas the State Legislatures of Montana, North Dakota, Minnesota, Wisconsin, and Illinois have each and all memorialized Congress to pass Senate bill No. 1197, known as "the Frazier bill", without delay, which bill provides that existing farm indebtedness shall be refinanced by the Government of the United States at 1½ percent interest and 1½ percent principal on the amortization plan, not by issuing Federal Reserve notes the same as the Government now does for the banks through the Federal Reserve bank: Now, therefore, be it

Resolved by the senate (the house of representatives concurring), That the Legislature of the State of Michigan respectfully requests and petitions the legislatures of other States that have not already done so to memorialize Congress to pass Senate bill 1197 without delay, in order that the agricultural indebtedness of this Nation may be speedily liquidated and refinanced and agriculture saved from utter ruin and destruction and this depression brought to an intelligent and speedy end, and respectfully requests that the State legislatures cause copies of such memorial, after same has been passed, to be sent to the President of the United States, to the President of the Senate, and the Speaker of the House, to Senator FRAZIER at Washington, D.C., and to WILLIAM LEMKE, Congressman, at Washington, D.C.

Adopted by senate, April 11, 1933.

Adopted by house of representatives, April 12, 1933.

DON W. CANFIELD,
Secretary of the Senate.
WRIGHT F. GRAY,
Clerk of the House.

The VICE PRESIDENT also laid before the Senate the following concurrent resolutions of the Legislature of the Territory of Hawaii, which were referred to the Committee on Territories and Insular Affairs:

Concurrent resolution memorializing the Congress of the United States to restore to the Public Utilities Commission of the Territory of Hawaii jurisdiction over certain public utilities

Whereas there are a number of public utilities operating within the Territory of Hawaii, which are now, by virtue of certain acts of Congress, placed some under the supervision and control of the Federal Interstate Commerce Commission and some under the supervision and control of the United States Shipping Board: Now, therefore, be it

Resolved by the Senate of the Territory of Hawaii, regular session 1933 (the house of representatives concurring), That the legislature favors the passage by Congress of an act or acts to the effect that the existing control and jurisdiction of the Federal Interstate Commerce Commission and of the United States Shipping Board over public utilities operating in the Territory of Hawaii, shall, except so far as regards interstate commerce, be transferred to the Public Utilities Commission of the Territory of Hawaii; and be it further

Resolved, That a certified copy of this resolution be forwarded to the President of the United States, to the Vice President of the United States, to the Speaker of the House of Representatives of the United States, and to the Delegate to Congress from the Territory of Hawaii.

THE SENATE OF THE TERRITORY OF HAWAII,
Honolulu, T.H., April 6, 1933.

We hereby certify that the foregoing concurrent resolution was adopted by the Senate of the Territory of Hawaii on April 5, 1933.

GEO. P. COOKE,
President of the Senate.
ELLEN D. SMYTHE,
Clerk of the Senate.

THE HOUSE OF REPRESENTATIVES OF THE
TERRITORY OF HAWAII,
Honolulu, T.H., April 6, 1933.

We hereby certify that the foregoing concurrent resolution was adopted by the House of Representatives of the Territory of Hawaii on April 5, 1933.

HERBERT N. AHUNT,
Speaker House of Representatives.
EDWARD WOODWARD,
Clerk House of Representatives.

Concurrent resolution memorializing the Congress of the United States of America to enact legislation, and the Bureau of Immigration of the Department of Labor of said United States to establish rules for the acceptance of Hawaiian birth certificates as prima facie evidence of birth in the Hawaiian Islands

Whereas under section 196 of the Revised Laws of Hawaii, 1925, as amended by Act 202 of the Session Laws of Hawaii, 1927, the secretary of the Territory of Hawaii is empowered, whenever satisfied that any person was born within the Territory of Hawaii, to issue to such person a certificate showing such fact; and

Whereas the immigration officers of the United States decline to recognize the certificate so issued by the secretary of the Territory of Hawaii, but recognize only certificates issued by the immigration officers in charge at Honolulu, city and county of Honolulu, Territory of Hawaii, in accordance with subdivision E of rule 11 of the immigration rules of January 1, 1930; and

Whereas the certificates issued as aforesaid by the secretary of the Territory of Hawaii are issued only after an examination in every respect as thorough as that provided under the aforementioned immigration rule: Now, therefore, be it

Resolved by the house of representatives (the senate concurring), That the Congress of the United States of America be, and it hereby is, urgently requested to provide, by appropriate and adequate legislation, for the acceptance by the Bureau of Immigration of the Department of Labor and all other bureaus and departments of the United States of such certificates of Hawaiian birth as prima facie evidence of the fact as set forth in such certificates of birth in the Territory of Hawaii or the islands now comprising said Territory, and that the Bureau of Immigration of said Department of Labor be, and it hereby is, respectfully requested, pending the disposition of this concurrent resolution by said Congress, to establish a rule authorizing and requiring members and agents of said Bureau to accept such certificates of Hawaiian birth as prima facie evidence of the fact as set forth in such certificates of birth within the Territory of Hawaii or the islands now comprising the same; and be it further

Resolved, That duly authenticated copies of this concurrent resolution be transmitted to the Secretary of the Interior, the Secretary of Labor of the United States of America, and each of the two Houses of the Congress of said United States, and the Delegate to Congress from Hawaii.

THE HOUSE OF REPRESENTATIVES
OF THE TERRITORY OF HAWAII,
Honolulu, T.H., April 5, 1933.

We hereby certify that the foregoing concurrent resolution was adopted in the House of Representatives of the Territory of Hawaii on March 7, 1933.

HERBERT N. AHUNA,
Speaker House of Representatives.
EDWARD WOODWARD,
Clerk House of Representatives.

THE SENATE OF THE TERRITORY OF HAWAII,
Honolulu, T.H., April 5, 1933.

We hereby certify that the foregoing concurrent resolution was adopted in the Senate of the Territory of Hawaii on April 5, 1933.

GEO. P. COOKE,
President of the Senate.
ELLEN D. SMYTHE,
Clerk of the Senate.

Concurrent resolution

Whereas, under and by virtue of Act 210 of the Session Laws of Hawaii, 1927, the board of supervisors of the city and county of Honolulu and the sewer and water commission of said city and county have been authorized to prepare plans and estimate of cost of constructing a tunnel through the Koolau Range, beginning at the Kalihi-Honolulu side, at Kalihi, in close proximity to Fort Shafter, and running to Koolaupoko, Oahu; and

Whereas the construction of such project is now a question of imperative moment, not only for the relief of unemployment in the Territory of Hawaii, but more so from a military and strategic viewpoint; and

Whereas there is now pending in the Congress of the United States a bill providing for a bond issue of \$500,000,000 for the relief of unemployment: Now, therefore, be it

Resolved by the House of Representatives of the Territory of Hawaii (the senate concurring), That the Congress of the United States be and it hereby is respectfully memorialized to set aside and to be made immediately available from said bond issue the sum of \$4,000,000 for said project, said amount to be expended by the territorial highway engineer upon plans and specifications approved by the Secretary of Agriculture of the United States; and further

Resolved, That copies of this concurrent resolution be forwarded to the Secretary of Agriculture of the United States, to the Speaker of the House of Representatives of the United States, to the President of the Senate of the United States, and to the Delegate to Congress from Hawaii.

THE HOUSE OF REPRESENTATIVES
OF THE TERRITORY OF HAWAII,
Honolulu, T.H., April 7, 1933.

We hereby certify that the foregoing concurrent resolution was adopted in the House of Representatives of the Territory of Hawaii on April 6, 1933.

HERBERT N. AHUNA,
Speaker House of Representatives.
EDWARD WOODWARD,
Clerk House of Representatives.

THE SENATE OF THE TERRITORY OF HAWAII,
Honolulu, T.H., April 7, 1933.

We hereby certify that the foregoing concurrent resolution was adopted by the Senate of the Territory of Hawaii on April 7, 1933.

GEO. P. COOKE,
President of the Senate.
ELLEN D. SMYTHE,
Clerk of the Senate.

The VICE PRESIDENT also laid before the Senate a resolution adopted by the board of directors of the American Manufacturers Export Association, New York City, favoring the prompt negotiation of reciprocal bargaining tariffs by the United States with foreign nations, looking toward the freer interchange of commodities mutually advantageous, which was referred to the Committee on Finance.

He also laid before the Senate a petition and two letters in the nature of petitions signed by 37 citizens of the State of Louisiana, praying for a senatorial investigation of alleged acts and conduct of Hon. HUEY P. LONG, a Senator from the State of Louisiana, which were referred to the Committee on the Judiciary.

He also laid before the Senate 7 memorials, 10 telegrams, and 13 letters in the nature of memorials, from 730 citizens and organizations in the State of Louisiana, endorsing Hon. HUEY P. LONG, a Senator from the State of Louisiana, condemning attacks made upon him, and remonstrating against a senatorial investigation of his alleged acts and conduct, which were referred to the Committee on the Judiciary.

He also laid before the Senate a communication from the secretary-treasurer of the Envelope Manufacturers' Association of America, embodying a resolution adopted by that organization favoring the adoption of an amendment to the Constitution giving Congress the right to regulate the hours of labor and establish minimum-wage rates for all industries, which was referred to the Committee on the Judiciary.

He also laid before the Senate a resolution adopted by the executive committee of the Associated Cooperage Industries of America, protesting against the passage of the so-called "Black-Connery 30-hour week 6-hour day bill", which was ordered to lie on the table.

He also laid before the Senate a telegram from the National Guard Association of the United States, by Claude V. Birkhead, its president, protesting against the proposed elimination of field training and also cuts in armory drills for the National Guard, which was ordered to lie on the table.

Mr. COPELAND presented a resolution adopted by the West End Society, of Brooklyn, N.Y., protesting against the alleged mistreatment of Jews in Germany, and favoring the passage of necessary legislation permitting the immigration of German Jews into the United States, which was referred to the Committee on Foreign Relations.

He also presented a petition of sundry citizens, being postal employees, of Oklahoma City, Okla., praying for the passage of a 30-hour week work bill for postal employees, which was referred to the Committee on Post Offices and Post Roads.

He also presented a resolution adopted by St. Regis Local, No. 45, International Brotherhood of Paper Makers, of Deerfield, N.Y., favoring the passage of legislation establishing a 6-hour day and 30-hour week for workers, which was ordered to lie on the table.

Mr. McCARRAN presented the following joint resolution of the Legislature of the State of Nevada, which was referred to the Committee on Agriculture and Forestry:

STATE OF NEVADA,

Department of State, ss:

I, W. G. Greathouse, the duly elected, qualified, and acting secretary of state of the State of Nevada, do hereby certify that the foregoing is a true, full, and correct copy of the original Senate Joint Resolution No. 21, introduced by Senator Tobin on March 9, 1933, now on file and of record in this office.

In witness whereof I have hereunto set my hand and affixed the great seal of state at my office in Carson City, Nev., this 22d day of March A.D. 1933.

[SEAL]

W. G. GREATHOUSE,
Secretary of State.

Senate joint resolution memorializing Congress to grant to forest users in the United States a moratorium of 2 years for the payment of grazing fees for the year 1932, and to omit charges for grazing fees for the year 1933

Whereas our great national depression has imposed a blow upon the livestock industry of the West that amounts to bankruptcy; and

Whereas livestock owners in many instances cannot pay their State and county taxes; and

Whereas many livestock owners are faced with the necessity of holding their stock under fence and upon land without feed thereon, because of the present depression they cannot secure the necessary funds to pay grazing fees; and

Whereas the possibility of securing the necessary funds through any of the Government agencies would be too late to save the situation, and if so obtained would only be borrowing from one department to pay another; and

Whereas we feel that imminent disaster is upon us unless relieved by a moratorium of at least 2 years on the grazing fees due for 1932, and the remission of all fees for 1933: Now, therefore, be it

Resolved by the Assembly and Senate of the State of Nevada, That we memorialize the Congress of the United States to take immediate steps to provide a moratorium of at least 2 years on the payment of grazing fees due from livestock men as users of the Government ranges for 1932, and a total remission of grazing fees for the year 1933; and be it further

Resolved, That properly certified copies of this resolution be forwarded by the secretary of state to the President of the United States Senate, to the Speaker of the House of Representatives, to the Secretary of Agriculture, to each of our Senators, and to our Representative in Congress.

MORLEY GRISWOLD,
President of Senate.
V. R. MERIALDO,
Secretary of Senate.
FRED S. ALWARD,
Speaker of the Assembly.
GEORGE BRODIGAN,
Chief Clerk of the Assembly.

STATE OF NEVADA,
EXECUTIVE DEPARTMENT.

Approved March 20, 1933, 1:40 p.m.

F. B. BALZAR, Governor.

Mr. McCARRAN also presented the following joint resolutions of the Legislature of the State of Nevada, which were referred to the Committee on Banking and Currency:

STATE OF NEVADA,

Department of State, ss:

I, W. G. Greathouse, the duly elected, qualified, and acting secretary of state of the State of Nevada, do hereby certify that the foregoing is a true, full, and correct copy of the original Senate Joint Resolution No. 10, introduced by Senators Winters, Carpenter, and Friedhoff February 1, 1933, now on file and of record in this office.

In witness whereof I have hereunto set my hand and affixed the great seal of state at my office in Carson City, Nev., this 16th day of February A.D. 1933.

[SEAL]

W. G. GREATHOUSE,
Secretary of State.

Senate joint resolution memorializing the Reconstruction Finance Corporation and the Regional Agricultural Credit Corporation to reduce the interest rate on, and to extend the time for payment of, agricultural and livestock loans

Resolved by the Senate and the Assembly of the State of Nevada, That—

Whereas the present interest rates charged by the Regional Agricultural Credit Corporation in the State of Nevada are excessive under present conditions and should be lowered to at least 4 percent per annum; and

Whereas said loans made are required to be approved by the Reconstruction Finance Corporation: Now, therefore

The Legislature of the State of Nevada hereby respectfully requests the Reconstruction Finance Corporation and the Regional Agricultural Credit Corporation to reduce the rate of interest on all pending agricultural and livestock loans and all future loans to at least 4 percent per annum, and to extend time for payment of the principal on present loans for an additional 3 years, and to make all future loans for not less than 3 years. The secretary of state of the State of Nevada is hereby directed to transmit certified copies hereof to the president or chairman of the Reconstruction Finance Corporation, to the executive officer of the Regional Agricultural Credit Corporation for this Federal land-bank district, and to the United States Senators and Representative in Congress from the State of Nevada.

MORLEY GRISWOLD,
President of Senate.
V. R. MERIALDO,
Secretary of Senate.
FRED S. ALWARD,
Speaker of the Assembly.
GEORGE BRODIGAN,
Chief Clerk of the Assembly.

STATE OF NEVADA,
EXECUTIVE DEPARTMENT.

Approved February 15, 1933, 3:35 p.m.

F. B. BALZAR, Governor.

Senate joint resolution memorializing the Congress of the United States to speedily rehabilitate silver, and petitioning the President-elect to call an international conference on the subject

The restoration of silver to its natural parity ratio of 16 to 1, based on the ratio of world production of silver and gold, appears to be essential to sound and necessary expansion of the basic currency of the world. Such restoration appears to be the most feasible plan to increase the purchasing power of more than half of the population of the world, enabling them to buy products of the United States and other gold-standard nations. Such restoration appears to be a requisite in order to increase our export trade and the sale of our surplus production, now depressing our domestic market below the actual cost of production. No plan as yet presented would do more toward restoring the economic stability of the world than the realization of the facts: That silver is not even as much a commodity as is gold; that four fifths of the silver now being produced, and that ever has been produced, has been used for monetary purposes, while only half of the gold ever produced has been so used; that laws did not make money of either gold or silver; they were money long before any monetary laws were ever enacted; that since the beginning of time there has not been produced throughout the world on the average more than 15 ounces of silver to 1 ounce of gold, and that in 1932 there were actually less than 13 ounces of silver produced to each 1 ounce of gold; that monetary laws alone have artificially decreased the demand for silver through restricting its use as money, thus decreasing its relative value, and we must therefore now remove or neutralize these artificial restrictions before we may hope to restore the natural laws of supply and demand. Nevada therefore favors any and all legislation, whether national or international, tending to effect the rehabilitation of silver, but is informed and believes that the only bill introduced in the Senate and the House of Representatives during the last two sessions of Congress which has received a favorable report from any committee is that introduced by Senator PITTMAN for the purchase of American-produced silver with silver certificates, and this in all probability is the extent of legislation that could be enacted at the present session of Congress. And while some might be inclined to take nothing less than what they think is right, others are inclined to compromise upon the best they can get if it be a really forward step, particularly so when faced by an emergency which demands prompt alleviation. The Silver State therefore submits that said Pittman bill is a step in the right direction, will tend to offset the unnatural supply of silver now derived from the melting of Indian silver coins and at least to that extent will tend to restore the market for silver to the normal mine production and the normal world demand; whereupon, at subsequent sessions of Congress, when conditions may be more favorable for silver legislation, we may hope for amendment of the Pittman bill to enlarge its scope and effect. In 1897, Nevada vigorously supported the Federal act (29 Stat. 624) authorizing the President of the United States to appoint five or more commissioners to attend any international conference called by the United States or any other country with a view to securing by international agreement a fixity of relative value between gold and silver as money, by means of a common ratio between these metals with free mintage at such ratio; and appropriating \$100,000 for the expenses of any such conference. That act is still in full force and effect, but the conference has never yet been called, even though the Senate of the United States in adopting the Pittman resolution specifically requested the President to do so. The Silver State therefore respectfully urges and petitions the President-elect to call an international silver conference to be held in the United States at the earliest practical date.

Resolved, therefore, by the Senate and Assembly of the State of Nevada, That we memorialize the present Congress of the United

States to enact the Pittman bill (S. 3606), and respectfully petition the President-elect of the United States to promptly call an international conference to rehabilitate silver.

Resolved further, That copies of this resolution be transmitted forthwith by the secretary of state of Nevada to the President of the United States Senate, to the Speaker of the House of Representatives, to the chairman of the House Committee on Banking and Currency, to our Senators and our Representative in Congress, and a copy under the great seal of the State of Nevada to the President-elect of the United States.

MORLEY GRISWOLD,
President of the Senate.
V. R. MERIALDO,
Secretary of the Senate.
FRED S. ALWARD,
Speaker of the Assembly.
GEORGE BRODIGAN,
Chief Clerk of the Assembly.
STATE OF NEVADA,
EXECUTIVE DEPARTMENT.

Approved March 6, 1933, 9:03 a.m.

F. B. BALZAR, Governor.

STATE OF NEVADA,

Department of State, ss:

I, W. G. Greathouse, the duly elected, qualified, and acting secretary of state of the State of Nevada, do hereby certify that the foregoing is a true, full, and correct copy of the original Assembly Joint Resolution No. 19, introduced by committee on military and Indian affairs February 11, 1933, now on file and of record in this office.

In witness whereof I have hereunto set my hand and affixed the great seal of state, at my office in Carson City, Nev., this 18th day of March A.D. 1933.

[SEAL]

W. G. GREATHOUSE,
Secretary of State.

Assembly joint resolution requesting Congress and the Reconstruction Finance Corporation to make immediate provision for relief of Nevada Indians

Resolved by the Assembly and Senate of the State of Nevada, That—

Whereas the Indians living on the Walker Lake and the Pyramid Lake Indian Reservations in the State of Nevada have presented resolutions to the Legislature of Nevada; and

Whereas in said resolutions it is made to appear that the Indians of the State of Nevada have been suffering from cold and hunger during this winter; that no work is to be had and no help is given to certain Indians by the Indian Affairs Bureau; that they have been refused help by the Reconstruction Finance Corporation and by other institutions, who claim that Indians are wards of the Government, while, on the other hand, they have been told by Indian officials that certain Indians are nonwards of the Government; and

Whereas said resolutions request the Nevada Legislature to appropriate funds to relieve said Indians, and, if not possible, that said legislature recommend to Congress that proper provisions be made immediately for the said Nevada Indians; and

Whereas the financial condition of the State of the State of Nevada is such that it will be impossible at this time to make an appropriation out of the State treasury for said Nevada Indians: Now, therefore

The Legislature of the State of Nevada hereby respectfully requests the Congress of the United States and the Reconstruction Finance Corporation to immediately make provision for the relief of the destitute Indians of the State of Nevada. The secretary of state is hereby requested to transmit certified copies of this joint resolution to the United States Senators and Representative in Congress from the State of Nevada, and the said United States Senators and Representative are respectfully requested to take immediate action in conformity with the purposes of this joint resolution.

FRED S. ALWARD,
Speaker of the Assembly.
GEORGE BRODIGAN,
Chief Clerk of the Assembly.
MORLEY GRISWOLD,
President of the Senate.
V. R. MERIALDO,
Secretary of the Senate.

STATE OF NEVADA,
EXECUTIVE DEPARTMENT.

Approved March 16, 1933, 2:27 p.m.

F. B. BALZAR, Governor.

STATE OF NEVADA,

Department of State, ss:

I, W. G. Greathouse, the duly elected, qualified, and acting secretary of state of the State of Nevada, do hereby certify that the foregoing is a true, full, and correct copy of the original Senate Joint Resolution No. 22, introduced by Senator Winters March 13, 1933, now on file and of record in this office.

In witness whereof I have hereunto set my hand and affixed the great seal of State at my office in Carson City, Nev., this 18th day of March A.D. 1933.

[SEAL]

W. G. GREATHOUSE,
Secretary of State.

Senate joint resolution relating to the Carson City United States Mint and Assay Office

Whereas the appropriation for the United States Mint at Carson City, Nev., for the fiscal year beginning July 1, 1933, was discontinued by the Seventy-second Congress, which adjourned sine die March 4, 1933; and

Whereas the State of Nevada has during the period of more than 75 years last past produced more than \$1,000,000,000 of mineral wealth for the benefit of the people of the Nation, and its mineral resources in precious and other metals will continue to contribute to the wealth and prosperity of the whole country if its further development is not hindered by adverse Federal legislation; and

Whereas there is and has been at Carson City, Nev., a substantial stone building erected by the Federal Government and known as the Carson City United States Mint, and which mint, beginning in the year 1870 and up to the year 1893, coined gold and silver money of a total value of \$49,274,434.30; and

Whereas ever since the discontinuance of the coinage of money at said Carson City Mint the same has been used and conducted as a United States assay office for the purchase of gold bullion and making assays for miners, prospectors, and others at a small cost of about \$6,500 per annum, out of which has been paid the compensation of an assayer in charge, assistant assayer, and watchman; and

Whereas by reason of the failure of the last Congress to make an appropriation for said Carson City Mint the same will necessarily have to discontinue and be closed on July 1, 1933; and

Whereas during the period of 6 years last past the United States Bureau of the Mint, Treasury Department, under which all mints and assay offices are conducted, has netted the Federal Government a profit of over \$22,000,000; and

Whereas the continuance of said mint at Carson City is warranted for the convenience and benefit of the mining industry of the State of Nevada; and

Whereas President Franklin D. Roosevelt has recently stated that there is need of an adequate supply of money in order to restore the economic condition of the country; and

Whereas it is the opinion of the Legislature of the State of Nevada that the Federal Government should increase the coinage of silver in order to secure an adequate and controlled inflation of money, and thus bring about a raise in commodity prices for the products of the farms and mines and other producers of the Nation: Now, therefore, be it

Resolved by the Senate and the Assembly of the State of Nevada, That the President of the United States be, and he is hereby, respectfully requested to favorably consider recommending to the Congress the advisability of increasing the purchase and coinage of silver in order to provide additional basic money, and in this connection to also recommend that the Carson City Mint be equipped and reopened for the coinage of silver into money as well as for the purposes of purchasing gold and silver bullion and making assays of gold and silver bullion for the benefit of the mining industry of Nevada. The secretary of the State of Nevada is hereby directed to transmit certified copies of this joint resolution to the President, White House, Washington, D.C., and to United States Senators KEY PITTMAN and P. A. McCARRAN and Representative JAMES G. SCRUGHAM.

MORLEY GRISWOLD,
President of Senate.
V. R. MERIALDO,
Secretary of Senate.
FRED S. ALWARD,
Speaker of the Assembly.
GEORGE BRODIGAN,
Chief Clerk of the Assembly.

STATE OF NEVADA,
EXECUTIVE DEPARTMENT.

Approved March 16, 1933, 2:56 p.m.

F. B. BALZAR, Governor.

Mr. McCARRAN also presented the following joint resolutions of the Legislature of the State of Nevada, which were referred to the Committee on Finance:

STATE OF NEVADA,
Department of State, ss:

I, W. G. Greathouse, the duly elected, qualified and acting secretary of state of the State of Nevada, do hereby certify that the foregoing is a true, full, and correct copy of the original Assembly Joint Resolution No. 22 introduced by Mr. Cooper on February 16, 1933, now on file and of record in this office.

In witness whereof, I have hereunto set my hand and affixed the great seal of state at my office in Carson City, Nev., this 22d day of March A.D. 1933.

[SEAL]

W. G. GREATHOUSE,
Secretary of State.

Assembly joint resolution memorializing Congress to increase the tariff on copper

Whereas the production of copper in the mining regions of the United States is an industry furnishing employment to thousands of men, giving them the opportunity to support families to the credit of this Nation; and

Whereas copper is so extensively useful in the industries and sciences in our own Nation; and

Whereas the production of copper by cheap labor has presented a competitive condition with which our American people, by reason of American living standards, are unable to compete, thus

throwing many thousands of industrious men out of employment and destroying the right of American families to exist in the manner and maintain American principles and ideals as contemplated by our Constitution: Now, therefore, be it

Resolved by the Assembly and the Senate of the State of Nevada, That the Congress of the United States be memorialized to impose an additional tariff upon copper to the extent that the total tariff thereon may be 10 cents per pound instead of 4 cents as at present; and be it further

Resolved, That properly certified copies of this resolution be forwarded by the secretary of state to the President of the United States Senate, the Speaker of the House of Representatives, to each of our Senators and to our Representative in Congress.

FRED S. ALWARD,
Speaker of the Assembly.
GEORGE BRODIGAN,
Chief Clerk of the Assembly.
MORLEY GRISWOLD,
President of the Senate.
V. R. MERALDO,
Secretary of the Senate.

STATE OF NEVADA,
EXECUTIVE DEPARTMENT.

Approved March 22, 1933, 10:03 a.m.

F. B. BALZAR, Governor.

Assembly joint resolution memorializing Congress for the passage of legislation for the encouragement and relief of the mining of precious metals, gold and silver, and for the making of exception for payment of income tax on the proceeds of production of such metals

Resolved by the Assembly and the Senate of the State of Nevada—

Whereas we are deeply cognizant of the persistent and consistent attitude and struggle heretofore made and maintained by our esteemed United States Senators, Key Pittman and Tasker L. Oddie, in the furtherance of the cause of silver, particularly with reference to stabilization of the value thereof, with a view of affording a more satisfactory economical basis to expand international trade with so-called "silver nations" of the World, and which in turn would result in the stimulation of prospecting and mining of silver within our State; and

Whereas no support has been given or afforded to the miner by the National Government in any manner to offset the pressing, prevailing increase of cost of mining for gold and silver; and that it appears that present world conditions charge our Nation with the duty of early action, internationally or individually, toward the restoration of silver to its former status prior to the demonetization thereof as a recognized medium of currency:

Therefore the Legislature of the State of Nevada urgently requests the present Congress and the national administration that early legislation be enacted to stabilize the price of silver for the encouragement of foreign trade with silver nations and countries not pledged to the maintenance of the gold standard, and that a defined policy be pursued which will eventually lead to the remonetization of silver to its former status prior to its demonetization in 1873; further

Resolved, That our representatives in Congress to convene after March 4, 1933, be, and they are hereby, urged to offer and support the adoption of an amendment to the internal revenue laws of the United States to exempt thereunder the proceeds of mines of the Nation engaged in the mining of gold and silver from the payment of any income tax to the Government upon gold and silver production. The secretary of state of Nevada is hereby instructed to transmit certified copies of this joint resolution to United States Senators KEY PITTMAN and PATRICK MCCARRAN and Representative JAMES G. SCRUGHAM.

FRED S. ALWARD,
Speaker of the Assembly.
GEORGE BRODIGAN,
Chief Clerk of the Assembly.
MORLEY GRISWOLD,
President of the Senate.
V. R. MERALDO,
Secretary of the Senate.

STATE OF NEVADA,
EXECUTIVE DEPARTMENT.

Approved March 20, 1933, 1:34 p.m.

F. B. BALZAR, Governor.

STATE OF NEVADA,

Department of State, ss:

I, W. G. Greathouse, the duly elected, qualified, and acting secretary of state of the State of Nevada, do hereby certify that the foregoing is a true, full, and correct copy of the original Assembly Joint Resolution No. 24, introduced by Mr. Bugbee February 16, 1933, now on file and of record in this office.

In witness whereof I have hereunto set my hand and affixed the great seal of the State at my office, in Carson City, Nev., this 22d day of March A.D. 1933.

[SEAL]

W. G. GREATHOUSE,
Secretary of State.

Mr. MCCARRAN also presented the following joint resolution of the Legislature of the State of Nevada, which was referred to the Committee on Public Lands and Surveys:

STATE OF NEVADA,

DEPARTMENT OF STATE, ss:

I, W. G. Greathouse, the duly elected, qualified, and acting secretary of state of the State of Nevada, do hereby certify that the foregoing is a true, full, and correct copy of the original Assembly Joint Resolution No. 10, introduced by Mr. Bugbee, January 30, 1933, now on file and of record in this office.

In witness whereof I have hereunto set my hand and affixed the great seal of state, at my office in Carson City, Nev., this 16th day of February A.D. 1933.

[SEAL]

W. G. GREATHOUSE,
Secretary of State.

Assembly joint resolution memorializing Congress not to pass H.R. 13558, relative to filing of notices of location of mining claims in United States land offices

Resolved by the assembly and the senate, That—

Whereas there has been introduced in the House of Representatives of the Congress of the United States a bill, known as "H.R. 13558", which provides for the filing of notices of location of all mineral claims in land offices of the United States, and that proofs of labor on such mining claims be similarly filed, in addition to filing requirements now required under State laws, and that in case of failure to so file in the United States land offices all claims for which such filings have not been made shall be open to relocation in the same manner as if no location had ever been made on said claims, and granting the Secretary of the Interior power to prescribe rules and regulations for carrying out the provisions of the act and requiring the payment of such fees for filing all papers required to be filed under the provisions of the proposed laws; and

Whereas as almost all of the public lands within the State of Nevada are potential mineral lands and thousands of mining claims now located on them, or which may be hereafter located thereon, have not been and cannot be so described in the location notices, that these claims could be placed upon a map without a long, tedious, and expensive survey, much of the mineral land being as yet unsurveyed and unplatted, and as such claims are held by citizens or may be located by others who are unable to bear the expense of surveying them and paying the filing fees to be required, especially in the present economic condition of the country; and

Whereas the provisions of such proposed law by Congress are unjust and wholly unnecessary and would work great hardship upon the prospectors and owners of mining claims: Now, therefore,

The Legislature of the State of Nevada earnestly protests against the passage of said bill, namely, H.R. 13558, and requests that the Senators and Representative of the State of Nevada in Congress oppose said bill and vote against the passage of the same, and that the Congress of the United States take cognizance of this protest and defeat the passage of said bill. The secretary of state of the State of Nevada is hereby instructed to forward a certified copy of this joint resolution to the President of the Senate, the Speaker of the House of Representatives, and to the United States Senators and Representative in Congress from the State of Nevada.

FRED S. ALWARD,
Speaker of the Assembly.
GEORGE BRODIGAN,
Chief Clerk of the Assembly.
MORLEY GRISWOLD,
President of the Senate.
V. R. MERALDO,
Secretary of the Senate.

STATE OF NEVADA,
EXECUTIVE DEPARTMENT.

Approved February 15, 1933, 3:40 p.m.

F. B. BALZAR, Governor.

EXECUTIVE REPORT OF THE NAVAL AFFAIRS COMMITTEE

As in executive session,

Mr. TRAMMELL, from the Committee on Naval Affairs, reported favorably the nomination of Pay Director Christian J. Peoples to be Paymaster General and Chief of the Bureau of Supplies and Accounts, in the Department of the Navy, with the rank of rear admiral, from April 29, 1933, for a term of 4 years, which was ordered to be placed on the Executive Calendar.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. NEELY:

A bill (S. 1487) for the relief of Auguste C. Loiseau; to the Committee on Claims.

By Mr. DILL:

A bill (S. 1488) for the relief of Elvind Anderson; to the Committee on Claims.

By Mr. McNARY:

A bill (S. 1489) granting a pension to Georgina Edmonds; to the Committee on Pensions.

By Mr. SHEPPARD:

A bill (S. 1490) to authorize the Secretary of War or the Secretary of the Navy to withhold the pay of officers, warrant officers, and nurses of the Army, Navy, or Marine Corps to cover indebtedness to the United States under certain conditions; to the Committee on Military Affairs.

By Mr. NORBECK:

A bill (S. 1491) granting a pension to Martin Suppan (with accompanying papers); to the Committee on Pensions.

By Mr. LONERGAN:

A bill (S. 1492) authorizing the issuance of a special postage stamp in honor of Brig. Gen. Thaddeus Kosciuszko; to the Committee on Post Offices and Post Roads.

A joint resolution (S.J.Res. 44) providing for the ratification of constitutional amendments by popular elections; to the Committee on the Judiciary.

By Mr. COOLIDGE:

A bill (S. 1493) for the relief of the Franklin County Trust Co., of Greenfield, Mass.;

A bill (S. 1494) for the relief of the Security Trust Co., of Lynn, Mass.; and

A bill (S. 1495) for the relief of the Springfield Safe Deposit & Trust Co., of Springfield, Mass.; to the Committee on Claims.

By Mr. LEWIS:

A bill (S. 1496) for the relief of Nannie Swearingen; to the Committee on Claims.

By Mr. FRAZIER:

A bill (S. 1497) for the relief of Jerry O'Shea; to the Committee on Indian Affairs.

By Mr. WHEELER:

A bill (S. 1498) authorizing the Secretary of the Interior to pay E. C. Sampson, of Billings, Mont., for services rendered the Crow Tribe of Indians; to the Committee on Indian Affairs.

By Mr. STEPHENS:

A bill (S. 1499) to amend section 4530 of the Revised Statutes of the United States;

A bill (S. 1500) authorizing pursers or licensed deck officers of vessels to perform the duties of masters of such vessels in relation to entrance and clearance of same; and

A bill (S. 1501) to amend section 2 of an act entitled "An act to promote the welfare of American seamen in the merchant marine of the United States; to abolish arrest and imprisonment as a penalty for desertion, and to secure the abrogation of treaty provisions in relation thereto; and to promote safety at sea"; to the Committee on Commerce.

By Mr. NORBECK:

A bill (S. 1502) to amend section 5219 of the Revised Statutes, as amended; to the Committee on Banking and Currency.

HOUSE BILL REFERRED

The bill (H.R. 5040) to extend the gasoline tax for 1 year, to modify postage rates on mail matter, and for other purposes, was read twice by its title and referred to the Committee on Finance.

PRINTING OF MANUSCRIPT "CONTRACTS PAYABLE IN GOLD"

Mr. SHIPSTEAD submitted the following resolution (S.Res. 62), which was referred to the Committee on Printing:

Resolved, That the manuscript entitled "Contracts Payable in Gold", by George Cyrus Thorpe, showing the legal effect of agreements to pay in gold, be printed as a Senate document.

"CROSS-QUESTIONS AND SILLY ANSWERS"—ARTICLE BY JOHN A. LOGAN

Mr. LOGAN. Mr. President, I ask unanimous consent to have inserted in the CONGRESSIONAL RECORD an article written by Mr. John A. Logan and published in the Edmonson News, of Brownsville, Ky., in the issue of Thursday, April 13, 1933, entitled "Cross-Questions and Silly Answers."

There being no objection, the article was ordered printed in the RECORD, as follows:

[From the Edmonson News, Brownsville, Ky., Apr. 13, 1933]

CROSS-QUESTIONS AND SILLY ANSWERS

By John A. Logan

1. A benevolent President and Congress provided 2,000,000,000 new dollars for the relief of depositors in banks but the Federal Reserve banks have this money locked in their vaults and neither the banks nor the people can get it. We are told, if we are a State bank, that we must first be examined by national-bank examiners and if we pass inspection, which we won't, and have "acceptable" collateral, which we ain't, we can get the money, which we can't.

"A servant ruleth."

2. A benevolent President and Congress provided millions of dollars for the establishment of Federal home-loan banks last October for the purpose of relieving the home owner who resided in cities, towns, and villages, yet these banks have never made a loan to a single home owner. They say they cannot loan direct to home owners, but operate only through building and loan associations and like organizations. They urge building and loan associations to become members of the Federal home-loan bank system, the first requisite being that the building and loan associations shall send them a membership fee of \$1,500. This they do, and that is as far as they can get. The rest of the time is taken up by the home-loan banks in asking the building and loan associations silly questions which the building and loan associations try to answer in what must be a silly manner to the sleek-haired gent who occupies a desk in the Federal home-loan bank. In the meantime, another sleek-haired gentleman at another desk in the same building is all day long writing long letters urging building and loan associations to become members of the Federal home-loan bank and relieve the great distress of the home owners in their community. They are like Uncle Cater was by his saddle mare. They have the money but they don't want to part with it.

"A servant ruleth."

3. Billions of dollars have been provided by a benevolent President and Congress for Federal farm-loan banks. A number of clerks in these said banks write letters the whole day long to the various associations urging them to send in applications for loans. This is done. Three men, "good and true", appraise the property. The application is sent in, together with the appraisal and the recommendation of the loan association. Within a few weeks a dapper young fellow who does not know which end of a mule is hitched to a plow, is sent down from the Federal land bank to check the appraisal, etc. The farm does not look good to him. It would not. There are no sidewalks or paved roads running through the farm. The farm home is not steam heated and, horror of horrors, it does not even have a bathroom, or even hot and cold water! He promptly turns the loan down and hurries back home to the city and tells his fellows that one half of the world does not know how the other half lives. But, the clerks at the desk continue to send out letters urging the association to send in applications for loans. Truly one half of the clerks in Federal home-loan banks and the Federal farm-loan banks and the Federal Reserve banks have no idea what the other half therein is doing.

And yet, the depression goes sadly on.

But why should we "keer",
For we have beer?

6-HOUR DAY, 30-HOUR WEEK

Mr. BLACK. Mr. President, some days ago I placed in the RECORD a letter from a man in Toledo, Ohio, with reference to certain statements he made as to several companies having attempted to have their employees write letters of protest against the 30-hour week bill. Later the Senator from Ohio [Mr. BULKLEY] inserted a telegram in the RECORD concerning that statement.

I have now two newspaper articles from Toledo quoting the president of one of these companies. These articles disclose the fact that Mr. Daniel H. Kelly is the executive vice president of the Electric Auto-Lite Co., and that he was responsible for a meeting of the manufacturers in Toledo to voice opposition to the measure. One of the newspaper articles contains this statement:

The letter—

Referring to the letter which I placed in the RECORD—ostensibly from an employee of one of the companies, complained that jobs of employees who refused to oppose the 30-hour-week plan had been threatened. It was pronounced by Daniel H. Kelly, executive vice president of the Electric Auto-Lite and a director of the other companies, as "a complete falsehood without any basis of fact."

Further the article says:

Mr. Kelly said employees of the company have been informed of the objections to the 30-hour week bill and had been furnished with some suggested forms for expressing opposition if they de-

sired to register an opinion against the bill, but he denied that any pressure of any kind had been exerted. He said the information given was purely of an educational and informational nature. As proof of this, Mr. Kelly gave out a copy of the notice which was posted in the plants, signed by him as executive vice president.

Mr. President, I am going to ask that both of these articles be placed in the RECORD. It will be noted that the notice is signed by the vice president, who had called the meeting of protest, and was placed conspicuously for the employees to see it. It gives nine different reasons for their opposition to the measure and then calls upon them and suggests that if they object to the bill, he would suggest that they wire the President of the United States and their Congressmen. It seems that Mr. Kelly says he did not coerce, but simply gave information of an educational nature in order that they might act.

Mr. President, I ask that the two newspaper articles referred to may be printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The articles are as follows:

[From the Toledo (Ohio) Blade, Apr. 14, 1933]

INDUSTRIALISTS HERE OPPOSE 30-HOUR WEEK—PROTEST RESOLUTION SENT TO SENATORS, DUFFEY BY MANUFACTURERS' ASSOCIATION

The Merchants & Manufacturers' Association of Toledo, through its secretary, Friday sent to James A. Emery, general counsel of the national organization, and to Ohio Senators and Congressman WARREN J. DUFFEY the official protest of the organization against the proposed 30-hour week bill now pending in Congress.

The resolution adopted at a meeting of 75 Toledo manufacturers in the Toledo Club late Thursday, was offered by Daniel H. Kelly, executive vice president of the Electric Auto-Lite Co., and pledged members of the association to write to President Roosevelt, Senators Bulkley and Fess, and Members of the Ohio delegation in Congress to oppose the bill.

CALLED VICIOUS

Mr. Kelly said the legislation, known officially as the "Connery-Black bill", is the most vicious bill ever proposed. He said it represents an appropriation by the Government of functions which do not belong to the Government and would set up, he said, barriers between the States and would operate to the advantage of manufacturers who do only an intrastate business.

A motion to send three members to Washington to voice the protest was defeated. The association did, however, vote to provide forms of protest letters for employees who wish to protest the measure. It was deemed advisable that the employees' letters be not written on company stationery to avoid the appearance of coercion.

WAGE RATE FORECAST

Frank Collins, vice president of the National Supply Co.; Thomas Bentley, of the A. Bentley & Sons Co.; and others questioned the constitutionality of the Connery-Black bill, if enacted into law. The measure was described as the opening wedge in a plan to socialize industry.

Mr. Kelly said that although the measure does not provide wage rates, the next step, he forecasts, would be to add a wage-fixing provision.

[From the Toledo (Ohio) Blade, Apr. 19, 1933]

FACTORY HEADS DENY CHARGES—LETTER READ IN SENATE ON 30-HOUR WEEK ASSERTS THREATS WERE MADE

Denial of charges presented in a letter read by United States Senator BLACK in the Senate late Tuesday was made by officials of the Electric Auto-Lite Co., Logan Gear Co., and Bingham Stamp- ing Co. Wednesday.

The letter, ostensibly from an employee of one of the companies, complained that jobs of employees who refused to oppose the 30-hour-week plan had been threatened. It was pronounced by Daniel H. Kelly, executive vice president of Electric Auto-Lite and a director of the other companies, as "a complete falsehood without any basis in fact."

Mr. Kelly said employees of the company have been informed of the objections to the 30-hour-week bill and had been furnished some suggested forms for expressing opposition if they desired to register an opinion against the bill, but he denied that pressure of any kind had been exerted. He said the information given was purely of an educational and informational nature. As proof of this Mr. Kelly gave out a copy of the notice which was posted in the plants, signed by him as executive vice president. The notice follows:

"Following is a statement regarding the objections to the 6-hour per day, 5- per week bill now pending in the House of Representatives:

"(1) The bill provides for the Federal Government to invade a field of regulation which belongs exclusively to the States.

"(2) It provides for additional governmental interference with business.

"(3) It would set up tariff walls between States and put interstate business at a disadvantage with intrastate business.

"(4) It will give foreign competitors extraordinary advantages over American producers.

"(5) It would require an extensive and expansive staff of Federal inspectors.

"(6) It would make illegal seasonal and emergency overtime work.

"(7) It would increase the demand for machinery to replace workmen.

"(8) It would necessitate complete readjustments in production methods, wage scales, and contracts.

"(9) The enforcement of the 30-hour-per-week provision would deepen the depression, retard recovery, decrease the total wage bill of the Nation, and dislocate the entire industrial structure of the country.

"The bill expressly eliminates executives, general superintendents and their immediate personal staffs. All other clerical employees would be immediately put on 6-hours-per-day, 30-hours-per-week basis. This would still further cut the time that you could work and your income.

"If you object to this change, would suggest that you wire the President of the United States and your Congressman."

ST. LAWRENCE WATERWAY TREATY

Mr. LONG. Mr. President, I understood that the Senate recessed last evening, or did it adjourn?

Mr. ROBINSON of Arkansas. It took a recess.

Mr. LONG. Mr. President, I was informed this morning that my friend, the Chairman of the Foreign Relations Committee [Mr. PITTMAN], had undertaken to visit the Senate to find out how we stood on the St. Lawrence Waterway Treaty, and, for fear that some Senators will send in word that they are in favor of the treaty without having heard something upon the other side of the question, I am compelled to take up a few moments to let the Senate understand how well Canada thinks she has performed at the expense of the American people.

Mr. LEWIS. Mr. President—

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Illinois?

Mr. LONG. I yield.

Mr. LEWIS. May I say to the able Senator from Louisiana that I think there must be some error in the assumption that the Chairman of the Foreign Relations Committee, an eminent Member of this body, would sound out Senators individually, with a view of ascertaining or directing their individual opinions. I think someone must have misinformed the Senator from Louisiana.

Mr. LONG. I do not think the Senator from Nevada is going to take exception to my statement.

Mr. PITTMAN. Mr. President—

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Nevada?

Mr. LONG. I yield to the Senator from Nevada.

Mr. PITTMAN. I am sorry to have to differ with the distinguished Senator from Illinois; I think I have never had to do so before; but I am attempting to ascertain now the sentiment of Senators on this side of the Chamber relative to action at an early date on the treaty referred to, and I intend to pursue that course.

Mr. LEWIS. I understood the Senator from Louisiana to intimate that the chairman of the committee had sought the opinions of individual Senators as to where they stood on that question.

Mr. LONG. Mr. President, I said "visé." I may not know what that word means, but as I interpret the word, I will inform the Senator from Illinois, I meant by it that the Senator from Nevada was attempting to find out how Senators on this side of the Chamber stood with regard to that treaty. I do not think that would be improper, and if I were interested in it I probably would do the same thing.

Mr. LEWIS. I beg to say that if it is merely a question of taking up the treaty, I can understand that; but I thought the able Senator had intimated that the Chairman of the Foreign Relations Committee had sought to obtain the individual views of Senators on the treaty, which I knew he would not do.

Mr. LONG. I think we are all acquainted with our system here. Before bringing up some measure we find out how Senators stand on it. I do that, and I think the Senator

from Nevada learned to do that long before I ever learned to do so.

Mr. PITTMAN. Mr. President, with all courtesy, I will say to the Senator from Illinois that I think his misunderstanding was due to the word "visé" used by the Senator from Louisiana. I perfectly understood what he meant, having discussed the matter with him.

Mr. LONG. I thank the Senator from Nevada for his contribution.

Mr. COPELAND. Mr. President—

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from New York?

Mr. LONG. I yield.

Mr. COPELAND. Mr. President, may I ask the Chairman of the Foreign Relations Committee, the Senator from Nevada [Mr. PITTMAN], if he will not consent to have the resolution regarding the division of costs between the Federal Government and the State of New York referred to the Committee on Commerce? Since our last discussion of the matter here I have met the members of the power commission of my State. We discussed the matter at considerable length. When they left my office they expressed their willingness to have the resolution referred to the Commerce Committee provided it did not mean an endless discussion in that committee and delay of presentation of the matter. May I not ask the Senator if he would be willing to have the matter referred to the Commerce Committee?

Mr. PITTMAN. Mr. President, the only object of referring a matter to a committee is that information may be gathered for the benefit of the Senate. The reference of this matter at this time to any other committee than the Foreign Relations Committee would certainly not expedite the obtaining of information for the benefit of the Senate.

As I said the other day, the question of whether or not the State of New York will be permitted to participate in the expenditure of the necessary money to build the St. Lawrence project and in consideration thereof shall have the use of the water allocated to the United States for the generation of power by the State of New York is involved in the whole question of whether we shall ratify the treaty or not. In the first place it involves the total cost to the United States Government in connection with the project. If the United States Government pays all the money allocated to the United States for the project, it will be probably \$89,000,000 more than if the water to generate the power were allocated to the State of New York.

The whole question was studied and investigated and reported on by a commission. The report of the commission is quite voluminous. It was referred to a subcommittee of the Foreign Relations Committee, together with the entire treaty, and exhaustive hearings were had upon it by that subcommittee. Hearings were had on all the questions brought out in the report of the commission. The question of the use of water allocated to the United States for the generation of power by the State of New York was involved in the whole consideration. The committee, it is true, as a committee has already favored the recommendation of the commission that the waters allocated to the United States, after a prior use of them under the treaty by the two Governments for navigation and without interference with the use of the waters for navigation, might be used by the State of New York for the generation of hydroelectric power in consideration of paying that proportion of the cost of the project that the commission stated should be allocated to the generation of power, which is \$89,000,000.

The whole question was gone into by the Canadian Government on exactly the same report. The Canadian Government approved the report of the commission and allocated to the Province of Ontario, which borders on the part of the river where the power is generated, the use of the waters allocated to Canada for the generation of hydroelectric power. That was a very natural thing to do. The policy established by the Congress in several acts has been that the States which are deprived of natural resources, whether they be sovereign waters or whether they be timber or whether they be oil, are entitled to compensation for the withdrawal of those potential resources and taxable property

by the Federal Government for its own use. That is the policy of the whole United States.

That policy is recognized by Canada in this matter with respect to Ontario. Canada has said in effect that if private individuals built the dams across the river, which would serve the same purpose for navigation, that then the dams and power houses would be subject to taxation on the one half by the Province of Ontario and on the other half by the State of New York, and if the waters are to be utilized for power, and Ontario on the one hand and the State of New York on the other hand are willing to pay, then that part of the entire cost of the project as determined by the commissioners of Canada and the United States should be allocated to that part of the construction, and, of course, it should go to that source.

We have recognized the same policy in connection with the Boulder Dam project. We recognized that the States of Arizona and Nevada, being the owners of the bed of the Colorado River and the banks of it, but being compelled by our Constitution to allow the Federal Government under the interstate commerce clause to utilize that State property for the building of a project, Congress has recognized that they should be compensated, so to speak, and so it has been provided that during the period of amortization all over and above the annual collections for power required to amortize annually the amount of the cost to the United States Government shall be divided between the States of Arizona and Nevada. It is true in that case that the States put up no money, and therefore they get only the surplus over the amortization fund; but in this case the State of New York and the Province of Ontario are required to put up that part of the construction cost which the commission for both governments have allocated as a proper cost to be charged as between navigation and the generation of power.

But all of these questions are interlocked with the entire problem involved in this project which has for its primary purpose navigation, but for its secondary purpose the generation of cheap hydroelectric power for the people of this country.

The Federal Government approves the commission's report. The Executive has approved it. So far as represented by the subcommittee of the Foreign Relations Committee the committee has approved it. It is approved by the Canadian Government and the Province of Ontario.

It would seem to me, whether the Senators from New York are opposed to the St. Lawrence Treaty or not, that they would be exceedingly anxious to have the resolution passed as soon as possible because it only provides that if and when the St. Lawrence Treaty is ratified by the United States Senate and becomes effective, then the water that may be used for power shall be used by the State of New York upon the payment of its just part of the construction cost. We have had voluminous hearings in the matter. Those hearings can be obtained by any Senator. They can be read and Senators can formulate their own opinions on this particular phrase or collateral issue arising out of the treaty.

It is evident that if the matter is referred to the Commerce Committee, or to any committee other than the Foreign Relations Committee, they must have hearings, they will have hearings, and in this session of Congress, when nearly every committee is intensely busy, when every Senator is intensely busy, when we are striving to deal with the most important problems that have ever faced this country, it would seem that there is no reasonable excuse to go over and over again something that has already been accomplished. It would add no information for the Senate that is new, and it would accomplish nothing on earth except delay; and I hesitate to think that the Senator from New York would desire delay on any question.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. PITTMAN. I have not the floor.

Mr. LONG. Mr. President, I have the floor.

Mr. SHIPSTEAD. Will the Senator yield for the purpose of permitting me to ask the Senator from Nevada a question?

Mr. LONG. I yield in order that the Senator may address a question to the Senator from Nevada.

Mr. SHIPSTEAD. As I understand, the Federal Government and the Power Authority of New York have agreed upon the controversial questions involved, as to the use of water and the disposition of water.

Mr. PITTMAN. That has all been agreed upon.

Mr. SHIPSTEAD. And is it not also a fact that a subcommittee conducted hearings for several weeks, gave everyone interested an opportunity to be heard, and that referring this matter now to the Commerce Committee, necessitating hearings, would only delay and prolong the consideration and final disposition of this treaty?

Mr. PITTMAN. That is the only result that would be accomplished so far as I can see.

Mr. COPELAND. Mr. President—

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from New York?

Mr. LONG. I yield to the Senator from New York.

Mr. COPELAND. I agree to much that the Senator has said; but the matter which I have in my mind has not been studied by the committee. Ninety million dollars is a lot of money.

Mr. BORAH. Mr. President—

The VICE PRESIDENT. Does the Senator from Louisiana yield; and if so, to whom?

Mr. LONG. I am willing to yield to the Senator from Idaho if he wishes to ask something of the Senator from New York?

Mr. BORAH. Do I understand that the Senator from Louisiana proposes to enter upon a debate as to the merits of this treaty?

Mr. LONG. Yes, sir.

Mr. BORAH. Well, Mr. President, if the debate is to be opened, of course, the farm bill will have to be put aside.

Mr. LONG. No; I am not doing it in that way. I am debating the farm bill.

Mr. BORAH. I understand perfectly what the Senator is doing, but others will do the same thing.

Mr. LONG. We have not anything else to do right now, anyway.

Mr. BORAH. If that is true, I have no objection.

Mr. LONG. We are waiting on the inflation bill.

Mr. BORAH. I supposed there was an amendment to the farm bill pending now.

The VICE PRESIDENT. The question before the Senate is the amendment of the Senator from Minnesota [Mr. SHIPSTEAD] to the amendment of the Senator from New York [Mr. WAGNER].

Mr. LONG. Before yielding further, if my friend from New York will permit me, I wish to say to the Senator from Idaho—he was not here when we began—that what brought up this discussion this morning was the fact that within his just and legal and other rights, the Senator from Nevada [Mr. PITTMAN], as chairman of the Foreign Relations Committee, was inquiring of Senators on this side of the Chamber how they stood on the St. Lawrence waterway treaty; and knowing, as I probably would have answered myself had I not known better and studied the matter a little bit more than ordinarily I would have studied it as a Senator, that a Senator might say he was all right on this proposal without looking into it particularly, I concluded that I had probably better give the Senate the Canadian view of this treaty.

The Senator from Idaho may not know it, and the Senator from Nevada may not know it, but I wanted the people of the country and the Members of the Senate to know just how Canada feels that it has caused America to invest \$600,000,000 to take away American commerce from America and to give the commerce to Canada. That is why, pending Senators being asked privately as to how they might preliminarily look on this matter, I thought it was necessary to say something about this treaty this morning.

Mr. BORAH. Mr. President, I do not desire to interfere with the Senator's program or any other Senator's program. I simply wish to know whether we are going ahead with the

farm bill. If this treaty is to be opened to debate, of course that is within their pleasure, and other Senators will pursue the same course.

Mr. LONG. I do not intend to defer action on the farm bill, and I do not intend to speak more than just a few moments.

Mr. COPELAND. Mr. President—

Mr. LONG. I yield to the Senator from New York.

Mr. LEWIS. Mr. President, may I be permitted to say—

Mr. COPELAND. The Senator from Nevada did not answer my question, if the Senator will yield for just a moment.

Mr. LEWIS. May I say that I was unconscious that any move was afoot to bring this treaty before the Senate for discussion. I am very much interested in this treaty. The State of Illinois is very much interested in many phases of it. I am known to oppose these phases. I deplore the fact that a situation exists where there is an understanding from any source to bring this treaty on for consideration without full information in the Senate upon such a subject.

For myself I am glad to have the Senator from Louisiana say anything he desires; but I wish to say to the Senator from Idaho that I am heartily in accord with him. I had no knowledge that this treaty was being brought on for consideration. I am opposed to its being brought on for consideration now, supplanting the farm bill; and I desire to have it known particularly that I desire a hearing, and a full and complete hearing, as to this treaty when it comes up, that I may express, in behalf of the State of Illinois, its opposition.

Mr. COPELAND. Now, Mr. President, I want to add, if the Senator will permit me, another word to the Senator from Nevada. What the Senator from Nevada is doing is delaying the final action upon this matter because, with all due deference to him, there are some of us here who are sufficiently interested in this question to wish to know what will be the economic effect upon the United States of building the St. Lawrence Canal. My State is interested because it is proposed to tax New York \$90,000,000 of the cost of this canal. Any man who lives in that State must have enough interest in the taxpayers to want to know, "If we spend this \$90,000,000, are we going to get our money back in the way of returns from the value of the power, or are we going to ruin our State by the diversion of commerce and trade to the St. Lawrence Canal?"

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LONG. I yield to the Senator from Missouri.

Mr. CLARK. How much of that \$90,000,000 is to be spent in Canada for Canadian labor and Canadian materials?

Mr. COPELAND. All of the money spent in the international section of the canal, which is the part involved here—all of it, all of the work which is done on Canadian soil—will be done by Canadian labor, but paid for by the United States, and \$90,000,000 of it will be paid by my State.

Mr. CLARK. In other words, under this treaty we win the privilege of footing the bill, and that is the only privilege we get?

Mr. LONG. Exactly.

Mr. COPELAND. Mr. President, my desire is that this matter may be referred to the Committee on Commerce to deal with a domestic question. I am not talking about the engineering features, or the other features which were considered by the Foreign Relations Committee, and well considered; but I wish to have the domestic side of it considered now, in order that we may determine in the State of New York whether we are throwing away \$90,000,000, and harming our State tremendously. I want to say to the Senator from Nevada that if he thinks he is going to have rapid and immediate action on this matter through the process which he proposes, he is very much mistaken. I pledge for myself that if the matter goes to the Commerce Committee, these matters which have to do with the economic features will be the limit of what we will undertake—not the engineering problems or these other matters, but the purely domestic problems—and I think it is a perfectly fair proposal which I made to the Senate that this matter

should go to the Commerce Committee for the consideration of those domestic problems.

Mr. PITTMAN and Mr. NORRIS addressed the Chair.

Mr. LONG. I hope Senators will not ask me to yield further. I intend to speak for only a very few minutes; and if other Senators wish to say anything, they can do so in their own time. I will yield to the Senator from Nevada, however, if he wishes to answer what the Senator from New York has just said.

Mr. PITTMAN. The Senator says I did not answer his question. I thought my explanation was obvious. However, I will answer it almost categorically.

I certainly object, for the reasons I stated, to having the joint resolution referred to the Commerce Committee; and, to hasten the determination of the matter, I ask unanimous consent that the Senate vote on which committee it will be referred to without further debate.

Mr. LONG. I do not want to have my remarks interrupted by any unanimous-consent proposal now, Mr. President.

Mr. NORRIS. Mr. President, I ask unanimous consent that at the conclusion of the Senator's remarks we vote without further debate.

Mr. LONG. I do not want to make any unanimous-consent agreement now. The Senator from New York might not be here. He has already announced that he has an important engagement this morning.

Mr. NORRIS. He has already spoken on the matter.

Mr. LONG. His remarks were interrupted by the morning hour having come to a close at 2 o'clock. That is my recollection. I am speaking about the other day.

Mr. NORRIS. Yes; that is correct.

Mr. LONG. Mr. President, I have only a few words to say on this matter, but something ought to be said for the benefit of the American dollar and the American people on this St. Lawrence waterway treaty.

LENGTHENING ROUTE TO FOREIGN MARKETS

Mr. President, to begin with, I am afraid we have never been able to get the Senators who think they are interested in this treaty to look at just what they are doing. My friend from Nebraska no doubt believes that by favoring this treaty, he is voting to shorten the route to the sea for the farmers of Nebraska. He is not doing any such thing. He is actually lengthening the route over a thousand miles in order to be able to spend \$600,000,000 of the American people's money for the benefit of Canada. We are not only lengthening the route to the sea by several hundred miles but we are diverting the traffic of America to Montreal and through Canada, and practically eliminating our own ports and our own traffic routes from all such things as participation in traffic.

Mr. President, I may not be able to convince the Senator from Idaho and the Senator from Nebraska and the Senator from Nevada that I am right about this matter. They may not take my word for it; but I will give them the word of the Empire with which they are dealing as to what we are about to do with America's \$600,000,000.

This is a photostatic copy of an editorial appearing in the Toronto Mail and Empire of July 19, 1932.

WATERWAYS TREATY PROVIDES SHIP AND POWER CANALS AT SMALL COST TO CANADA

To be sure it is "at small cost to Canada." They have learned how to build up there. Canada has found out how to build. Canada has found out that whenever she wants to build anything in Canada, for Canada, with Canadian labor, for Canadian ports, the way to do it is to build it with the money of the United States. There may be some of us who have not found that out, but Canada has found it out; and every time I see the Canadian emissaries coming to the United States, I shiver in my boots as to what they are going to leave us when they return.

Now, let me read this editorial:

On its face the St. Lawrence waterways treaty signed at Washington yesterday by Hon. W. D. Herridge and Colonel Stimson is more favorable to Canada than any previous arrangement ever made with the United States.

Well, it will have to go some if that is true. "On its face", says this great Canadian journal, this treaty that has been signed between the United States and Canada "is more favorable to Canada" than any other treaty that they have ever made with the United States. With the well-known fact that we never lost a war and never won a conference with Canada, they are gracious enough to tell us that this treaty is more in their favor than any that they have ever had before.

I read further:

It is more favorable than anyone outside a limited government circle could have hoped for.

Why, to be sure "it is more favorable than anyone outside a limited government circle could have hoped for." Nobody else except the birds in that government that has been getting concessions of this kind from the United States since long before we had the War of 1812 would have had any idea that we would undertake to spend \$600,000,000 of American money to build up ports in Canada, to increase the mileage distance to the sea, in order that they could take American commerce away from here.

I read a little further:

Congress must ratify the instrument before Parliament is asked to do so.

That is very noteworthy. Naturally they know they will have no trouble in getting the Canadian Parliament to ratify it.

The cost of the undertaking is to be borne mainly by the United States.

Why certainly. Why have that put in there? What is the use of informing the Canadian people that the cost of this Canadian project is to be borne mainly by the American people? It is a waste of space, it is a waste of breath, to try to inform the Canadian people that it is going to be borne mainly by the American people. Why certainly! They would not have been down here negotiating to build a canal in Canada, for Canadian commerce, with Canadian labor, for the benefit of Canada, if they had had any idea that the Canadian Government was going to have to pay for it. Why, certainly not! That is axiomatic. That goes without saying.

The Canadian two-stage plan in the international section is adopted in place of the United States single-stage plan. Canadian sovereignty over the works in Canadian waters is absolutely established.

Certainly; we knew that.

To this end there is a complete segregation of the properties on the two sides of the border. Without altering in the slightest degree Canada's age-long policy of joint development of the St. Lawrence waterway, we obtain a 27-foot navigation channel from the Atlantic to the head of Lake Superior. What is still more important, we have retained the right to construct an all-Canadian waterway, at any time in the future, if the expenditure involved in such undertaking is deemed advisable.

Certainly. In other words, because they not only control but—and I will read it again—they have "retained the right to construct an all-Canadian waterway at any time in the future if the expenditure involved in such undertaking is deemed advisable." In other words, we may sacrifice our rights to Canada, but Canada retains her rights in this matter.

The judgment of the United States Supreme Court, requiring Chicago to reduce the extraction of water from Lake Michigan to a mere fraction of what it has been and is today, is embodied in the treaty.

I am going to pause in the reading here long enough to try to inform some of the Senators from the Mississippi Valley and the Southern States and coast States what this means.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. CLARK. Is it not a fact that while, under the terms of the treaty, the United States absolutely internationalizes a lake which lies wholly within the boundaries of the United States, thereby giving up for all time jurisdiction over the amount of water that can be diverted from Lake Michigan

to the Lakes-to-the-Gulf project, it still permits Canada to take all the water she wants out of Georgian Bay to construct an all-Canadian waterway from Georgian Bay to the Ottawa River, lying wholly within Canada, and to take as much water as she pleases out of the Great Lakes system?

Mr. LONG. That is my understanding. The United States has spent hundreds of millions of dollars, as we understood, to promote our domestic waterway system for our foreign and domestic commerce. Now the proposal is to limit the amount of water supply that we can have through the Great Lakes system for this construction of the all-year-round waterway system from the Great Lakes to the Gulf, which is interwoven with our flood-control plan. A dollar spent for one is a dollar spent for both. But the proponents of this project intend to come along and to divert \$600,000,000 of our money, not for the purpose of promoting this American system of commerce but in order that \$600,000,000 may make it possible for Canada to take advantage of a proposition on which the United States is spending all this money.

PROTECT AMERICAN PORTS

Let us consider the ports of the State of Texas. They are as much interested in this matter as anyone else. Consider the ports of the State of Texas, like Galveston and Houston and Port Arthur; the ports of Louisiana, like Lake Charles, Baton Rouge, and New Orleans; the ports of Mississippi, like Gulfport; the ports of Alabama, like Mobile; the ports of Georgia, like Savannah; of South Carolina, like Charleston, and on up the coast line. Are the States like Missouri, Illinois, Arkansas, Louisiana, all of these States, to see trade advantages taken away from these ports and away from these waterways, and funds which are needed for the completion of the flood-control projects diverted up to Canada in order that Canada may have the only port which American commerce can patronize, because we have spent all of our money for the purpose of extolling the port of Montreal and other Canadian ports, and have denied the money that is needed for the proper development of our own waterways?

I had a map here showing the situation, but the Senator from New York had to take it with him. It illustrates the matter. We do not need, in order to have a shorter route to the sea from these Western States, to go through Canada, unless we are determined that when we leave the sea we are going around close to Newfoundland in order to get to those States. A waterway can be cut for an approximate distance of around 300 miles; I do not know the exact distance, and I have not the figures which are shown on a map, which the Senator from New York had to take with him a moment ago, but if we want to transport traffic from the sea to the west, as I understand it, we can go down through the Hudson River a distance of only 338 miles, all-American, on American soil, with American labor, and go into the American port of New York City, a distance of only three hundred and some-odd miles, at a cost which will be infinitely less than it is going to cost to build the St. Lawrence waterway, and bring the traffic to the sea by a route which is some thousand or so miles shorter than to go through Canada, at an expense of \$600,000,000 of American money.

Mr. President, let me read further from this Canadian editorial.

Other advantages summarized.

Not only this! The United States abandoned its ancient contention that Lake Michigan is an "American lake."

Certainly! We might have known that if we got into anything with them, we were going to give up something—\$600,000,000 is not enough. Building up a port of Canada is not enough. Lengthening the route in order that we can give our trade to Canada is not enough. We have to give away Lake Michigan.

Mr. LEWIS. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. LEWIS. I remind the able Senator from Louisiana that the Secretary of State, then Secretary Root, in dealing with Canada touching the question of a treaty concerning the lake, announced to Canada that that lake was an integ-

ral lake, a domestic body of water belonging to the United States, was in no wise an international body of water, nor were its banks international, and that, therefore, it was removed from the discussion as an international water; and Canada did not then, nor has she since in writing anywhere, taken issue with that fact, because it was established in history.

Mr. LONG. Mr. President, I thank the able Senator. I had understood that there was no contention whatever, and I thank the Senator for the source from which this information comes, that there was no contention whatever that Lake Michigan was an international body of water, including even the banks. It has been accepted, and no claim has been made to the contrary, that Lake Michigan was an integral part of the United States of America. But lo and behold! we come here now with a treaty by which we are internationalizing Lake Michigan in order to give Canada water which is seriously and badly needed to take care of the domestic commerce and the domestic plan of navigation and flood control of the United States. I say domestic within the sense that it is within the borders of the United States.

Let me read a little further, because we get a better explanation from the Canadian papers than we have ever been able to get from the American press. They understand the matter better. If we want to find out what the treaty provides, we should not ask our American statesmen and our American friends to explain it. The gentlemen in Canada will understand it so much better, and can state its benefits so much more succinctly, if they state what it is, so far as concerns Canada, that it is a waste of time to fool around among our domestic statesmen and newspapers in trying to find out what a treaty contains. Therefore I read from the Canadian editorial again:

That great body of water has become forever—

Listen to this. This ought to make the American hearts swell with pride:

That great body of water has become forever through this new treaty an international body of water, which belongs to the St. Lawrence watershed instead of to the Mississippi watershed.

I wonder what the statesmen of the Mississippi Valley, 32 States which use the Mississippi River watershed—I wonder what the men who are sitting in the United States Senate from the shores of the Ohio River, and the Missouri River, and the Mississippi River, and from the States which are affected by the rivers which flow into the Mississippi River—I wonder what they think of this proposal that we now are to take Lake Michigan away from the Mississippi watershed to prevent the canalizing of the all-year-round waterway system and turn it over to the St. Lawrence waterway project in order that we can give Canada ports which the United States cannot have.

I read again:

While enlarged canals will not bring great ocean liners to Toronto and other inland Canadian cities, it will greatly stimulate water-borne traffic to and from these cities by lake vessels and ocean tramps.

Sure; we will not bring the great trans-Atlantic liners in there, but we will take the little old tramp steamers and the other little old vessels over water taken away from us and keep the United States from having anything but a jig-jog traffic moving into American ports in order to load up trans-Atlantic liners with freight at Canadian ports.

I read further:

Even Port Arthur and Fort William, more than 2,300 miles from the Straits of Belle Isle, will be in close touch by water with the shippers of Great Britain and the world. The deeper waterway means much, not only in Ontario and Quebec, and the Prairie Provinces, for it also confers upon the eastern Maritime Provinces, and even upon British Columbia, opportunities for increased trade with the interior of Canada.

Certainly. I hope Senators understood that. Here is a very salient statement made. It is stated here that this gives to the mother country, the British Empire, greater opportunities to promote its trade with Canada. The United States is not only spending \$600,000,000 to take Canadian and British trade from the United States, but we

are actually spending this money so that hereafter the trade that is coming to the United States from Canada will be certain to go from Canada to Great Britain, at the expense of the United States.

What business we are getting out of Canada now we are giving up to Great Britain, spending \$600,000,000 of the money of the American people in order that the business the American people are now getting from Canada will go through the St. Lawrence project to Great Britain. That is what they say here in black and white. They know what they are doing. We may not know it, but they do. I read further:

On the eve of the imperial conference the treaty announces the creation of a larger field and new facilities for Empire trade.

Certainly; Empire trade, trade within the Empire. This project, which is to be constructed with the money of the people of the United States, makes it possible for the Canadians to announce that they have developed trade waterways, and facilities within the Empire so that the trade and interchange between the various provinces and countries of Great Britain will be expedited, to our loss.

I now read again from this sheet:

Cost to Canadian Treasury only \$38,000,000.

We are putting up \$600,000,000 to start with, and that will not half pay the cost before we get through with it, but the cost to the Canadian Treasury is to be only \$38,000,000.

Listen to this, gentlemen of the Senate. I want those who are legislating for the people of the United States to listen to this next line:

No feature of the treaty is more surprising or more satisfactory than the low cost to Canada at which the undertaking is to be carried out.

Nothing, they say, is more surprising to Canada than the low cost of the project to Canada. Certainly it is surprising. I read further:

Because of want of information, the press has carried all sorts of extravagant statements as to the heavy financial burden with which the taxpayers were to be saddled in a time of depression. As late as last Saturday a Montreal newspaper estimated that the Canadian people would be mulcted to the tune of \$570,000,000. All such erratic predictions have been relegated to the realm of the absurd and sublimely ridiculous. The treaty provides that the cost of the deep waterways to the Dominion Treasury will be \$38,071,000. This total is reached by adding the \$22,320,000 to be spent in the International Rapids section for property damages, rehabilitation work, and the Chrysler Island Canal to the \$82,954,000 to be spent for locks and canals on the Canadian section, and by subtracting from the total \$67,202,500 to be paid by Ontario to the Dominion on account of power works in the international section. This total cost of \$38,071,000 may be cut to \$33,638,500 if a proposed guard lock at Beauharnois is found unnecessary, which is altogether probable. These figures are based upon the 1926 estimates made by the international board of engineers on the project and since revised by that board. It is not to be forgotten that general construction costs are now down about 30 percent. The reasonableness of this remark is based on the fact that the Livingston Channel, in the Detroit River, was estimated to cost \$7,000,000 and is now actually being built under contract for \$3,400,000. If the cost of construction were to remain as low as it is today during the years of construction the outlay by the Dominion Treasury might not amount to more than \$25,000,000. The cost to the United States is placed at \$243,661,000, made up of \$178,651,000 to be spent on the International Rapids section and \$65,100,000 for channel deepening and other necessary works in the upper lakes. Canada is given credit for \$128,000,000 spent on the New Welland Canal and for other construction work.

CANADIAN LABOR AND MATERIALS

Most of the construction work will be done in Canada. All the construction work on the national section will, of course, be done here, but there is more than that. Though the United States is to provide the \$54,718,000 for works situated on the Canadian side in the International Rapids section, Canadian engineers, Canadian labor, and Canadian materials are to be used.

I hope the Senate got that. This is a Canadian newspaper which says:

Though the United States is to provide the \$54,718,000 for works situated on the Canadian side in the International Rapids section, Canadian engineers, Canadian labor, and Canadian materials are to be used. All the labor and materials employed in the Canadian power development at Chrysler Island and Barnhart Island power plants is to be paid for by the Ontario Government and will, of course, be Canadian—

Why, certainly—

As indicated by the maps published in connection with the treaty, the international section, which reaches from a little below Prescott to a little below Cornwall, is 115 miles in length. Most of the development occurs in Canadian waters.

Now, Mr. President, I am going to skip just a bit of what is printed along that line and come to a reference to a very important part of this treaty.

MAY BUILD ALL-CANADIAN CANAL

Those who have been nervous about Canadian sovereignty should read article 5 of the treaty, which provides that each of the high contracting parties shall retain complete ownership of, and complete legislative and administrative jurisdiction over, all works lying on its own side of the international boundary, irrespective of the agency by which such works are constructed.

TIMELY GESTURE TO THE EMPIRE

Later on we read:

Chicago checked; Lake Michigan internationalized.

We ought to be proud of this. It seems like any time we can take a slap at Chicago, then everybody seems proud about it, but I see no reason for that, because Chicago's waterways are most necessary to all of us. What do they say about checking Chicago?

As already noted, the treaty itself puts an end to Chicago's ambition to drain the Great Lakes for the benefit of a deep waterway to the Gulf of Mexico by way of the Mississippi Valley.

It puts an end to the dream of Chicago. It puts an end to the dream of St. Louis and Cairo and Memphis and of Arkansas and of Mississippi. It puts an end, it says here, to all those things. I hope my able friend from Illinois heard me read it.

As already noted, the treaty itself puts an end to Chicago's ambition to drain the Great Lakes for the benefit of a deep waterway to the Gulf of Mexico by way of the Mississippi Valley.

Why, certainly; it is going to dry the Mississippi Valley to the point where it will be nothing but a floodgate. It will put an end to navigation in the Mississippi Valley, according to this Canadian view of the matter. It will put an end to it because when you internationalize Lake Michigan and keep us from having the waters of that lake that are necessary to canalize that river in order to have all-the-year-round navigation you have bottled up the one great commercial waterway system of America that everyone thought should be kept open.

Away back yonder the President of the United States—I have forgotten which President it was—sent Robert Fulton down to New Orleans. Before he had invented the steamboat he was sent by Mr. Dearborn, the Secretary of War, down to New Orleans, La., to look into the proposition of cutting a canal between Lake Pontchartrain, leading into the Mississippi River, in order that the Mississippi River might be made a commercial waterway from the Great Lakes to the Gulf, and in order that it might be a great source of national defense in war time. Robert Fulton went down to Louisiana and reported back to the United States Government that there ought to be constructed a canal connecting Lake Pontchartrain with the Mississippi River.

BUILT AND PAID FOR BY LOUISIANA

The United States Government never did build that canal from Lake Pontchartrain to the Mississippi; but when the war came on with Germany, in 1918 the State of Louisiana was appealed to by the national authorities, and that State laid out a total sum of \$26,250,000 to build the canal between Lake Pontchartrain and the Mississippi River for the benefit of the people of the United States. We thought we were going to get our 26¼ million dollars back; we were entitled to our \$26,000,000 back; but, instead of paying us back the \$26,000,000 for building that canal between Lake Pontchartrain and the Mississippi River, which everybody from Fulton's day down to now said ought to be built, you have taken our money, added about \$75,000,000 to it, and propose to give it to Canada to destroy this great project in the Mississippi Valley for the benefit of the port of Montreal.

I will read a little bit further from this article. I sometimes think, Mr. President, that we ought just to have an

executive council, so that we might get along a little bit better. I tell you if this thing keeps going on the thing for us to do will be to move to Canada. If I had money enough to move to Canada, I believe I would go there; I want to get nearer my boss. Now I read a little bit further from this Canadian newspaper:

It provides that the abstraction of water through the Chicago Drainage Canal, shall be reduced by December 31, 1933, to an amount not exceeding an annual average of 1,500 cubic feet per second in addition to the domestic pumpage by the city of Chicago.

This arrangement, which permits a 9-foot channel to the Mississippi, cannot be varied except by international agreement. It is the first time in history that the United States has agreed to place the abstraction of water from Lake Michigan under international control. This really means that Lake Michigan is admitted by the neighboring Republic to be an international waterway, like the other Great Lakes. Henceforth it belongs definitely by international agreement to the St. Lawrence watershed and cannot be exploited for the increased benefit of the Mississippi watershed.

Do you think, Mr. President, that we who are living on the Mississippi River, who have stood the scourges of floods on that river year in and year out, who have seen our homes washed away, our agricultural land destroyed in the space of a nighttime, who have seen men, women, and children picked up in boats from the waters that come from all over the United States and have flooded on that land—do you expect now that we are going to let you make us nothing but a dumping ground for the flood waters of this Nation, and that we are not going to be allowed to share in the international benefits of navigation when America has waters within its own confines? Is that going to be the policy of the United States? Are you going to turn your back on a flood-control project to which this Nation is committed and which involves an expenditure of \$1,000,000,000 or more, and take \$600,000,000 of that money and divert it to Montreal in order to give this country a port?

And what are you doing to New York? Why destroy the port of New York? Why destroy Chicago? Why destroy New Orleans? And you are doing the same thing to the ports of the Pacific coast. There is nobody sitting in the Senate from the Pacific coast who has studied this question sufficiently who does not know that if you are going to throw this whole thing over in the mountain part of this country to where it has got to go by Canada by the shortest route that can be provided to Great Britain, it is going to mean the condemnation of Pacific coast ports; it is going to mean the same thing to those ports that it is going to mean to Atlantic ports.

DEVELOP AMERICAN WATERWAYS

Mr. President, every man with any kind of pride is interested in the waterway improvement work that has been done from Florida up to the Great Lakes. I see my friend the Senator from Florida in his seat. We have been trying to get a canal cut across the peninsula of Florida in the United States. Such a canal would accommodate more commerce than the Panama Canal accommodates. We have been trying day after day and night after night to get this country developed not only through the means of Mississippi waterways and Ohio waterways and Missouri waterways, but we have also been trying to get a canal cut across the peninsula of Florida. Somebody said it would cost two or three hundred million dollars to do it; various estimates have been made of the cost; but, regardless of what estimates have been made of the cost, it could have been done for less than one third the amount of money that we are going to spend under this international treaty in order to benefit the port of Montreal. We have not built that canal—that is too expensive a proposition; we cannot complete the Mississippi River improvement—that is going to cost too much; we cannot complete the Missouri River improvement—that is going to cost too much; we cannot complete the work on our ports and the work on our harbors because it is going to cost too much; but here we are in a treaty, in order to have the privilege of giving away Lake Michigan to Canada, in order to have the privilege of giving away the commerce of the Lakes, we are to spend more money than it will cost for all the projects that have been mentioned

and which are being held up today because it is said America has not enough money to pay for them. What statesmanship! I graduated out of the class I formerly belonged to so long ago, Mr. President, until I do not feel at home.

As I said a few days ago in the Senate, something ought to be done to make us feel some consciousness of the welfare of our own people. I believe it is going finally to come down to a time when someone will propose a constitutional amendment to provide that members of the Cabinet and legislators who make and ratify treaties shall spend a few days in some other occupation and learn a little more about them, because when we become embroiled and entangled with these questions and with transactions and dealings of this kind with foreign nations we never come out of them except by giving up the rights and commerce of America and paying for foreign investments and foreign improvements in order that we may take away commerce from the United States.

Mr. President, I think I have talked enough on this matter. I am not going to read the remainder of this article, but I am going to send it to the desk and ask that it may be printed at the conclusion of my remarks; and, if possible, I ask that it be printed in regular-sized type, if there is no objection, because I should like to have the article read.

The PRESIDENT pro tempore. Under the rule it cannot be printed in the regular-sized RECORD type without authority of the Joint Committee on Printing.

Mr. LONG. Then I will just ask to have it printed in the RECORD.

The PRESIDENT pro tempore. Without objection, the article will be printed at the conclusion of the Senator's remarks.

(The article appears at the end of Mr. LONG's remarks marked "Exhibit A.")

Mr. LONG. I will say this word in closing. I ask Members on this side of the Chamber and on the Republican side of the Chamber, until they have had an opportunity to go into the points of this treaty not, preliminarily or otherwise, to commit themselves as being in favor of this monstrosity. I ask, regardless of any poll that may be made in the Senate, that no Senator preliminarily, conditionally, or otherwise, commit himself in the remotest degree or extent to the support of what is contained in this international treaty between Canada and the United States; and when this matter shall be properly before the Senate we will then be in a position to go into it from Dan to Beersheba and register our objections to the United States' spending the money of its people for the benefit of Canada and thereby creating further unemployment among its own citizens.

EXHIBIT A

[Editorial from the Toronto Mail and Empire, Toronto, Canada. One of the outstanding newspapers of the Dominion. It expresses the joy and appreciation of Canada at the great victory won by Canadian statesmen in the St. Lawrence treaty between the United States and Canada, signed at Washington, July 18, 1932.]

WATERWAYS TREATY PROVIDES SHIP AND POWER CANALS AT SMALL COST TO CANADA

On its face the St. Lawrence Waterways Treaty signed at Washington yesterday by Hon. W. D. Herridge and Colonel Stimson is more favorable to Canada than any previous arrangement ever made with the United States. It is more favorable than anyone outside a limited Government circle could have hoped for. Though executed at the American Capital, it concedes to this country practically all the conditions long insisted upon by the most jealous guardians of Canadian rights. Congress must ratify the instrument before Parliament is asked to do so. The cost of the undertaking is to be borne mainly by the United States. The Canadian 2-stage plan in the international section is adopted in place of the United States single-stage plan. Canadian sovereignty over the works in Canadian waters is absolutely established. To this end there is a complete segregation of the properties on the two sides of the border. Without altering in the slightest degree Canada's age-long policy of joint development of the St. Lawrence waterway, we obtain a 27-foot navigation channel from the Atlantic to the head of Lake Superior. What is still more important, we have retained the right to construct an all-Canadian waterway, at any time in the future, if the expenditure involved in such undertaking is deemed advisable. The judgment of the United States Supreme Court, requiring Chicago to reduce the extraction of water from Lake Michigan to a mere fraction of what it has been and is today, is embodied in the treaty.

OTHER ADVANTAGES SUMMARIZED

Not only this, the United States abandons its ancient contention that Lake Michigan is an "American lake." That great body of water has become forever, through this new treaty, an international body of water which belongs to the St. Lawrence watershed instead of to the Mississippi watershed. While enlarged canals will not bring great ocean liners to Toronto and other inland Canadian cities, it will greatly stimulate water-borne traffic to and from these cities by lake vessels and ocean tramps. Even Port Arthur and Fort William, more than 2,300 miles from the Straits of Belle Isle, will be in close touch by water with the shippers of Great Britain and the world. The deeper waterway means much not only to Ontario and Quebec and the prairie Provinces, for it also confers upon the eastern Maritime Provinces and even upon British Columbia opportunities for increased trade with the interior of Canada. On the eve of the imperial conference the treaty announces the creation of a larger field and new facilities for empire trade.

COST TO CANADIAN TREASURY ONLY \$38,000,000

No feature of the treaty is more surprising or more satisfactory than the low cost to Canada at which the undertaking is to be carried out. Because of want of information, the press has carried all sorts of extravagant statements as to the heavy financial burden with which the taxpayers were to be saddled in a time of depression. As late as last Saturday a Montreal newspaper estimated that the Canadian people would be mulcted to the tune of \$570,000,000. All such erratic predictions have been relegated to the realm of the absurd and sublimely ridiculous. The treaty provides that the cost of the deep waterways to the Dominion Treasury will be \$38,071,000. This total is reached by adding the \$22,320,000 to be spent in the International Rapids section for property damages, rehabilitation work, and the Chrysler Island canal to the \$82,954,000 to be spent for locks and canals on the Canadian section, and by subtracting from the total \$67,202,500 to be paid by Ontario to the Dominion on account of power works in the international section. This total cost of \$38,071,000 may be cut to \$33,638,500 if a proposed guard lock at Beauharnois is found unnecessary, which is altogether probable. These figures are based upon the 1926 estimates made by the international board of engineers on the project and since revised by that board. It is not to be forgotten that general construction costs are now down about 30 percent. The reasonableness of this remark is based on the fact that the Livingston Channel, in the Detroit River, was estimated to cost \$7,000,000 and is now actually being built under contract for \$3,400,000. If the cost of construction were to remain as low as it is today during the years of construction, the outlay by the Dominion Treasury might not amount to more than \$25,000,000. The cost to the United States is placed at \$243,661,000, made up of \$178,651,000 to be spent on the International Rapids section and \$65,100,000 for channel deepening and other necessary works in the upper Lakes. Canada is given credit for \$128,000,000 spent on the new Welland Canal and for other construction work.

CANADIAN LABOR AND MATERIALS

Most of the construction work will be done in Canada. All the construction work on the national section will, of course, be done here, but there is more than that. Though the United States is to provide the \$54,718,000 for works situated on the Canadian side in the International Rapids section, Canadian engineers, Canadian labor, and Canadian materials are to be used. All the labor and materials employed in the Canadian power development at Chrysler Island and Barnhart Island power plants is to be paid for by the Ontario Government and will, of course, be Canadian. As indicated by the maps published in connection with the treaty, the international section, which reaches from a little below Prescott to a little below Cornwall, is 115 miles in length. Most of the development occurs in Canadian waters.

MAY BUILD ALL-CANADIAN CANAL

Those who have been nervous about Canadian sovereignty should read article 5 of the treaty, which provides that each of the high contracting parties shall retain complete ownership of, and complete legislative and administrative jurisdiction over, all works lying on its own side of the international boundary, irrespective of the agency by which such works are constructed. Such works shall constitute a part of the territory and property of the country in which they are situated. This proviso is deliberately inserted to protect Canadian sovereignty over all structures lying on the Canadian side, even though these structures have been built with United States money. In addition to this, Canada retains the specific right to construct at any time in the future, wholly within its own territory, alternative channel and canal facilities along the Great Lakes or in the St. Lawrence River, including the international section of the St. Lawrence. It has a right to use for such purely Canadian canal purposes whatever water there may be necessary for the operation thereof. As we indicated before, this clause places Canada in a position to build an all-Canadian waterway, if at any time in the future it is deemed wise to enter upon the expenditure involved in such an undertaking. This is one of the most important and one of the most satisfactory points in a treaty which fairly bristles with satisfactory points.

TIMELY GESTURE TO THE EMPIRE

The Ottawa Government regards this treaty as of great importance to Great Britain and the Empire. It was, therefore, anxious to have it signed before the opening of the imperial conference, and it is to be congratulated upon having obtained its

wish in this respect. It is stipulated in one of the articles of the treaty that all British shipping in all parts of the Empire shall have the right to navigation in the Great Lakes and St. Lawrence waterway for all time. This means that all British ships as well as all Canadian ships shall have access through the deepened water channels to the head of Lake Superior. In this sense, the Great Lakes are merged with the oceans. The Great Lakes become the Mediterranean Sea of North America. It is not expected that great liners will ascend the canals, but there will be an ever-increasing flow of freighters and ocean-going vessels carrying cargoes inland and returning with outgoing cargoes.

The deepened route will be of a special advantage to the shipping and trading industry of the United Kingdom, because, according to the gnomonic map projection, Montreal and Windsor, Ontario, lie in a straight line on the shortest route from Liverpool. The deep waterway will thus provide a remarkably direct route for the shipment of grain, flour, coal, and other commodities between interior Canada and Great Britain. We thus have Windsor, Hamilton, Toronto, Kingston, Montreal, and Quebec (with Fort William and Port Arthur only a little out of line) on an invaluable imperial trade artery connecting them with the mother country.

CHICAGO CHECKED, LAKE MICHIGAN INTERNATIONALIZED

As already noted, the treaty itself puts an end to Chicago's ambition to drain the Great Lakes for the benefit of a deep waterway to the Gulf of Mexico by way of the Mississippi Valley. It provides that the abstraction of water through the Chicago Drainage Canal shall be reduced by December 31, 1938, to an amount not exceeding an annual average of 1,500 cubic feet per second, in addition to the domestic pumpage by the city of Chicago. This embodies the decree of the United States Supreme Court in international law. Chicago must cut its present flow from 8,180 cubic feet per second to the maximum prescribed in the treaty. This arrangement, which permits a 9-foot channel to the Mississippi, cannot be varied except by international agreement. It is the first time in history that the United States has agreed to place the abstraction of water from Lake Michigan under international control. This really means that Lake Michigan is admitted by the neighboring Republic to be an international waterway like the other Great Lakes. Henceforth it belongs definitely by international agreement to the St. Lawrence watershed and cannot be exploited for the increased benefit of the Mississippi watershed. It is further provided that there shall hereafter be no abstraction from the Great Lakes system to another watershed except by authorization of the international joint commission representing both nations. This constitutes a perpetual safeguard to the waters of the Great Lakes system from Port Arthur, Fort William, and Duluth to the Gulf of the St. Lawrence.

OGOKI WATERSHED AS COMPENSATION

Canada gains another victory over the so-called "Ogoki diversion." It has been known for a long time that Ogoki Lake, lying north of Lake Superior, and all the waters flowing into it, which now find their outlet in Hudson Bay, can be readily diverted into Lake Nipigon, and thus into the St. Lawrence River system. Canada thus gains the right to divert 4,000 cubic feet per second of water into Lake Nipigon for use in power developments on the Nipigon, St. Mary, and St. Lawrence Rivers. It is estimated that this additional flow of water will furnish 520,400 horsepower, and this is all to belong to Canada. There is another important point in the fact that this access of water from the Ogoki watershed will compensate for the limited loss for the drainage canal which is to be allowed Chicago. In this connection it is to be added that the United States is to spend millions of dollars on the construction of compensation works in the Niagara and St. Clair Rivers. These works will, the engineers say, furnish adequate protection for navigation all down the Great Lakes system to Montreal.

CANADA GETS 4,000,000 HORSEPOWER; UNITED STATES 1,000,000

The treaty has its power side as well as its navigation side. The work in the international section and in the national section will develop about 5,000,000 horsepower. Of this, 2,000,000 horsepower will be available in the international section and 3,000,000 in the national section. Canada—that is to say, the Province of Ontario—is to obtain 1,000,000 of the 2,000,000 horsepower to be produced in the international section, but all of the 3,000,000 horsepower to be developed in the national section, which is wholly in Quebec, will belong to this country. This means that Canada is to obtain 4,000,000 horsepower and the United States 1,000,000 horsepower out of the whole St. Lawrence waterway development. We thus come in on a basis of 4 to 1, which ought to be satisfactory to most hydroelectric enthusiasts and to most private power enthusiasts in Quebec. It is, of course, up to Quebec to use the power available in its own provincial area in the manner that it sees fit by agreement with the federal authorities. Our point at the present is that by the negotiation of this highly favorable treaty with the United States, Ontario and Quebec are protected for long years to come against a shortage of power. This power means much to the industrial future of the nation, because it can be used to operate plants lying along 2,300 miles of deep-water navigation in full communication with every part of the world. This combination of cheap power and transportation facilities will be one of the most remarkable in the world.

GREAT ST. LAWRENCE INDUSTRIAL REGION

It is probably not going too far to predict that with this new canal and power development on the St. Lawrence River, with

little cost to Canada, the Great Lakes region and St. Lawrence Valley will, in the next few years, be lifted into a place of industrial leadership. The present depression is only a passing phase. The deep-waterways treaty, like the imperial conference, is a long step on the road toward the recovery of prosperity. As already indicated, with the deep-water channel to Great Britain and to other parts of the world, and with an abundance of cheap power for manufacturing purposes, a multiplication of industries along the Great Lakes and St. Lawrence River is certain to occur within the next few years. We shall probably not be viewing the situation too optimistically if we say that the new St. Lawrence River development will give this part of North America a foremost place in industrial development. We believe, indeed, that the most highly industrialized section of the New World will bestride the international boundary.

IN HARMONY WITH PAST DEVELOPMENTS

We have already shown that there is to be no abandonment of Canadian sovereignty in the St. Lawrence. The treaty involves no departure from the historical Canadian policy regarding the St. Lawrence and the Great Lakes. For many years the Canadian and United States Governments have cooperated in improvements to navigation in order to provide larger and larger vessels with adequate accommodation and especially adequate depths of water. The United States has used our canals and Canada has used the American canals. Much of the excavation work in the Detroit and St. Clair Rivers has been done by the United States in Canadian waters, with, of course, Canada's consent. On the other hand, channels deepened by Canada have been free to the United States. A good deal of this sort of work and of compensation work remains to be done between Lake Erie and Lake Huron, in the Niagara River, in the upper St. Lawrence River, and in the lower St. Lawrence. Our contention is that in working with the United States under the restrictions embodied in the treaty there is no departure from our long-established national policy.

REMOVING OBSTACLES TO NAVIGATION

The primary object of the treaty is to provide a 27-foot waterway from the ocean to the head of the Great Lakes. This depth of water is already available for all but a small fraction of the distance. That fraction lies between Lake Ontario and Montreal. This part of the route, with its 14-foot canals, has for long constituted a definite obstacle to navigation. It has held up the development of the rest of the route. It renders the new Welland Canal, upon which we have spent \$128,000,000, or nearly four times as much as the new development is to cost the Dominion Treasury, comparatively useless. This is a matter in which all of Ontario, all of Quebec, and indeed the whole of Canada, are intensely interested. The time has come to remove the hiatus in order that the greatest lake and river navigation route in the world may come into its own. The missing link is to be fitted into the chain. It would be foolish to leave the job undone.

TRIUMPH FOR BENNETT AND HERRIDGE

The waterways treaty between His Majesty the King and the President of the United States was signed by the Hon. W. D. Herridge, Canadian Minister at Washington, and by Hon. H. L. Stimson, United States Secretary of State. The Prime Minister has said that it fulfills the conservative pledge regarding the St. Lawrence made at the Winnipeg convention of 1927 and the Prime Minister's own pledge in the same connection, which he gave in Winnipeg during the general election of 1930. We are not surprised at his frank assertion that no big interests are to be allowed to block the enterprise.

The negotiation and the conclusion of the treaty illustrate the present Government's belief in the future of Canada. They also illustrate the driving power of the Prime Minister and his capacity for getting big things done. On the eve of the greatest Empire conference the world has ever seen, he has been able to announce this new Canadian and imperial arrangement with the United States. To Mr. Herridge goes the main credit for the negotiation of the treaty. Ever since last October he has labored night and day to bring it about. He has made countless trips between Ottawa and Washington on this special mission, and with the backing of the Premier he has been able to secure an instrument which concedes to Canada practically all of Canada's demands. He has obtained a treaty which places the bulk of the cost on the United States and involves the Dominion Treasury in an expenditure of less than \$40,000,000. This and his success in obtaining a greatly increased number of air channels from the United States for radio purposes, amply justify his appointment to the Washington post. He would not have accepted that position but for the prospect of doing these two jobs for Canada, and his double achievement marks him as an international diplomat of first-class order. We do not think that any Canadian will take exception to this statement. In the language of the street, he has carried the message to Garcia, delivered the goods, and brought home the bacon.

Mr. REED obtained the floor.

Mr. McNARY. Mr. President, I suggest the absence of a quorum.

Mr. VANDENBERG. Mr. President, will the Senator from Oregon withhold the suggestion for a moment?

Mr. McNARY. Very well.

Mr. VANDENBERG. Now will the Senator from Pennsylvania yield to me for a sentence?

Mr. REED. Gladly.

ST. LAWRENCE WATERWAY TREATY

Mr. VANDENBERG. Mr. President, at the proper time, when the St. Lawrence Treaty comes before the Senate, I shall be very happy to undertake to demonstrate that the remarkable address to which we have just listened is as replete with errors of fact as it is with errors of consistency.

Mr. LONG. Mr. President, I want to say that the Senator from Michigan is in error all the way through on the question of waterways, or else we are.

Mr. VANDENBERG. I simply want to illustrate with one example the thought that I undertook to condense into one sentence. My able friend from Louisiana has repeatedly referred to the \$600,000,000 project involved. The net cost to the American Treasury is \$125,000,000, according to official estimates of those upon whom we are entitled to depend. I do not care to debate the matter at the present time, because it would be inappropriate to debate it now. Anyone can get ex parte statements upon any side of the proposition as he may wish. I simply suggest that it is unfair to prejudge the matter on the basis of ex parte statements. I made that statement as a fair example of the fact that there are two sides to the question.

Mr. REED. Mr. President, I should like to suggest that all these estimates of cost are practically valueless, because we cannot make an estimate of cost unless we know whether we are talking about the gold dollar of yesterday or the rubber dollar of tomorrow.

Mr. LONG. At the proper time, as the Senator from Michigan expresses it, we will show that the cost to the United States will be probably much nearer \$1,000,000,000 than \$600,000,000.

CALL OF THE ROLL

Mr. McNARY. Mr. President, I renew my suggestion of the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Keyes	Reynolds
Ashurst	Couzens	King	Robinson, Ark.
Austin	Cutting	La Follette	Robinson, Ind.
Bachman	Dickinson	Lewis	Russell
Bailey	Dieterich	Logan	Schall
Bankhead	Dill	Loneragan	Sheppard
Barbour	Duffy	Long	Shipstead
Barkley	Erickson	McAdoo	Smith
Black	Fletcher	McCarran	Steiwer
Bone	Frazier	McGill	Stephens
Borah	George	McKellar	Thomas, Okla.
Brown	Glass	McNary	Thomas, Utah
Bulkeley	Goldsborough	Metcalf	Townsend
Bulow	Gore	Murphy	Trammell
Byrd	Hale	Neely	Tydings
Byrnes	Harrison	Norbeck	Vandenberg
Capper	Hastings	Norris	Van Nuys
Caraway	Hatfield	Nye	Wagner
Carey	Hayden	Overton	Walcott
Clark	Hebert	Patterson	Walsh
Connally	Johnson	Pittman	Wheeler
Coolidge	Kean	Pope	White
Copeland	Kendrick	Reed	

The PRESIDENT pro tempore. Ninety-one Senators having answered to their names, a quorum is present.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States, submitting several nominations, were communicated to the Senate by Mr. Latta, one of his secretaries.

RELIEF OF AGRICULTURE

The Senate resumed consideration of the bill (H.R. 3835) to relieve the existing national economic emergency by increasing agricultural purchasing power.

Mr. REED. Mr. President, I desire to make a short statement regarding the so-called "Thomas amendment", which, as I understand it, embodies the administration's proposal for changes in our currency system.

President Roosevelt's program for inflation reminds me of nothing so much as a child playing with dynamite. He is trying to make prices go up. He may succeed. The trouble is that in doing so he may destroy the country and himself as well.

To tamper with the currency is like lighting the fuse of a high explosive and standing by to see what happens. If the fuse sputters and dies, nothing happens; and in the case of the President's program nothing would be accomplished. If it reaches the explosive, things happen rapidly and with destructive effect. The whole history of inflationary experiments in other countries shows that it is almost as impossible to control inflation set in motion by printing-press money, following the abandonment of the gold standard, as it is to keep a charge of nitroglycerine in check when the burning fuse reaches it.

There are 30,000,000 households in the United States. Every one of these would suffer immediately in the rise in the cost of living. It would be felt in the grocery bill, the fuel bill, the clothing bill, in the cost of transportation, insurance, education, and every other item entering into the family budget.

There are 50,000,000 savings accounts in the United States. As prices rise each savings-bank depositor, each person with money in the bank or in a building and loan association, loses money daily by simply keeping his money on deposit.

There are 122,000,000 life-insurance policies in force in the United States. Millions of policyholders are wholly dependent on the proceeds of these policies to educate their children or to provide for their own old age. The value of these policies goes down with the dollar, and exactly to the same extent, as the policies are payable in dollars. As prices rise and the dollar is worth less, the insurance policy is worth less, the prospective annuity disappears, and the carefully saved educational fund with it. There are millions of boys and girls whose college careers are wrapped up in these policies. Many of them would be denied an education if the dollar drops in value.

There are 48,000,000 persons gainfully employed in the United States. There are 10,000,000 in agriculture, 14,000,000 in manufacturing industries, 6,100,000 in trade, 4,000,000 in transportation and commerce, 4,000,000 in clerical employment, 5,000,000 in personal service, 3,000,000 in professional pursuits, and 1,000,000 in mining. Every man who draws a pay envelope or receives a pay check would suffer an immediate wage cut, probably followed by further reductions, as the dollar declined in value and the cost of living rose.

There were in February 4,100,000 families, including approximately 17,000,000 persons, directly dependent on public or private relief agencies in the United States. They would get less to eat and wear or it would cost the country more to feed and clothe them as prices rose. They cannot be allowed to starve or to go unclothed. That means taxes would rise and the Government would have to pour billions more into relief funds.

It is contended by advocates of inflation that it would help the farmer by raising the prices received for his crops. How would the farmer benefit if wheat sold for \$10 a bushel and the \$10 would not buy a pair of overalls or a gallon of gasoline?

There have been fewer marriages in the United States during the last 2 years than at any time for 10 years past, due directly to the depression. These deferred marriages represent a huge backlog of building, of house furnishing, of buying of all kinds, ready to be released as business improves and certainty as to the future is restored. Is it to be assumed that a rapid rise in living costs will encourage or discourage marriage? I think the answer is obvious. If these young people cannot be married now, how could they marry with prices skyrocketing and their earnings lagging behind, as is always the case in inflation? Fear of the future will continue. Marriages will continue to be deferred.

Russia inflated her currency. The old ruble has disappeared. The new Russian ruble, or chervonetz, has a fluctuating value in different parts of Russia, and no fixed

value anywhere. Hunger and misery are widespread in Russia, not only in the cities but in the country districts. They are trying so desperately to get enough gold to stabilize their currency that it is said by our newspapers this week that Russian dentists are now using steel instead of gold in filling teeth.

Germany approached inflation gradually over a period of several years. Like a snowball rolling down a mountain, it gathered volume and momentum as it went along until in the final smash at the bottom it buried everyone in an avalanche of worthless money. Toward the end it took a million marks to buy a loaf of bread; and one good American dollar, with gold back of it, would have bought enough paper marks to extinguish the entire German national debt. In the end they swept up the valueless currency, baled it, and sold it for waste paper, eventually establishing a new currency based on gold borrowed from the United States and other countries which had been wiser in their fiscal policies.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. VANDENBERG. In line with the Senator's argument, may I present him, with my compliments, a hundred billion German marks, which, at face value, would have retired the entire American national debt, but which, unfortunately, finally was worth only 2½ cents. [Laughter.]

Mr. REED. I thank the Senator. I shall be glad to pay him in Russian rubles. I hand him a note for 10,000 Russian rubles. [Laughter.]

Mr. VANDENBERG. I think we are even.

Mr. REED. Germany today is impoverished and there is as much unemployment and more suffering, proportionately, in Germany than there is in the United States.

England went off the gold standard on September 21, 1931, expecting to improve her trade position. This expectation has not been realized. British trade shows no perceptible improvement. Her shipping is in as bad a plight as it could be. All reports from England, and the indices of British trade as of the present time, indicate that she gained nothing and lost much by this action. Necessary or not, it is obvious that England lost enormously in prestige, and that with the depreciation of the pound sterling the banking center of the world moved definitely from London to New York.

If we now inflate our currency, lower the gold content of the dollar, or experiment in any other way with what has been one of the few sound currencies in the world, we, in turn, will risk losing our dominant position in world trade and world finance—a position which at present permits us to dictate terms to other nations less favorably situated.

England eventually will have to come back to gold. I do not think the United States should ever abandon the gold standard, except as the existing emergency suggests the wisdom of temporarily suspending gold payments. I offer no criticism of the embargo on gold shipments. It seems to me that it was wise, prudent, proper action to take at the time. I offer no criticism of the suspension of specie payments within the United States, as was done on the 4th of March; but my criticism does go, with all the earnestness that is in me, to the proposals that were sent to us yesterday afternoon, and were embodied in the Thomas amendment.

Inflation is the process by which governments throw off responsibility and go on a jamboree. They pursue a picturesque course for a while, but they wake up with a headache. This is the thing for the sober men and women of America to remember when inflation is proposed. There may be a temporary exhilaration, but there is always a "morning after."

Mr. PITTMAN. Mr. President, I do not intend to discuss this matter at this time; and yet I cannot refrain from calling attention to the fact that the attitude of the Senator from Pennsylvania [Mr. REED] and his former administration has not changed a particle. They were opposed for 3 years to devaluating the dollar. They are opposed now to devaluating the dollar. The fact that the dollar today

will buy twice as much of products as it would when his administration went in 4 years ago does not concern him at all. He is pleased with it. He sees nothing whatever that is terrible in the existing condition.

The fact that the farmer who borrowed a thousand dollars when wheat was \$1 a bushel, and he could pay his thousand-dollar loan with a thousand bushels of wheat, now has to pay it with 2,000 bushels of wheat, does not concern the Senator from Pennsylvania at all. He would be totally unwilling to have the dollar devaluated 50 percent so that the debtor would be able to pay with the same amount of products that he would have had to pay with when he contracted the debt.

We have exactly the same thing now that we had before. The Senator's Republican administration for 3 years made the same speeches: "Let things alone." They were fine. It was all right. The Senator comes here now and argues that the man who has money will lose if the dollar is reduced in purchasing power. Of course he will lose. A man's dollar today will buy twice what it would buy before the Republican administration went in. There are 30,000,000 people in this country who are dependent on farming, who, by reason of the high price of the dollar, cannot raise enough commodities, at the cost to them of raising those commodities, to pay the expense of their production.

The Senator speaks for the few people who have some money. He does not speak for the 30,000,000 people in this country dependent on farming who are ruined by the increased value of the dollar. He does not speak for the 13,000,000 men who are out of jobs and have not anything at all with which to buy, nor the 13,000,000 of old people and children dependent on the 13,000,000 idle laborers who have not anything with which to buy.

The Senator cannot get out of his mind the cause of the man who has, when the cause of the men who has not is the problem before the United States today. It is the same old issue. If the dollar is devaluated in its purchasing power, the fellow who has it is going to have to pay more for what he gets. That is the argument. He will have to pay more for the potatoes that he eats; he will have to pay more for the wheat that he eats; he will have to pay more for the cotton that he wears, or the wool that he wears. Therefore, if he has to pay more for it, it is an injury to the man who has money.

I admit that. That is a pure, simple proposition. It has been the issue for 4 years. It is the issue now; but, thank God! the people of this country woke up to the issue at the last election, and they are not ignorant of the issue today.

Mr. REED. Mr. President, will the Senator tell me when they woke up?

Mr. PITTMAN. Yes; at the last election. Perhaps the Senator did not wake up then.

Mr. REED. The Democratic national platform declared for a sound currency. Does the Senator think that to issue greenbacks to retire Government bonds is a sound currency?

Mr. PITTMAN. That is just the way the old Republican Party always argue. They construe everything to mean that their money shall be twice as valuable as the country intended that it shall be. "A sound currency!"

Mr. FLETCHER. Mr. President, will the Senator yield?

Mr. PITTMAN. Just a second, until I finish this thought.

This amendment provides that the Secretary of the Treasury, with the approval of the President or by his direction, may enter into an agreement with the Federal Reserve banks and the Federal Reserve Board that such banks shall enter into open-market Government bond and security purchases to the extent of \$3,000,000,000 and that they shall buy Treasury bills within that \$3,000,000,000. That is that part of the amendment; but what was attempted on that line? Under the existing law we tried to induce the Federal Reserve banks to aid in inflation and expansion of credit. They did not do it. They said they could not do it. Then we passed the Steagall-Glass bill. Why? Because we wanted to increase the eligible paper of member banks—which was already \$5,000,000,000—to \$10,000,000,000, in the hope that the Federal Reserve System, the existing instrumentality, would expand not merely three billions but what-

ever was necessary; but it proved an utter failure. Only \$125,000,000 was expanded under that act.

Now we come back to them, and we say to them, "If you will issue the three billions in open-market transactions, as you have the power to do, and will buy Treasury bills, as you have the power to do, then, if that meets the condition, that ends it."

Mr. REED. The Senator is talking about one of the least harmful provisions of the Thomas amendment; but if he will start on page 3, in line 15, he will find a part that I think even he cannot defend. It provides for the issuance of \$3,000,000,000 of totally unsecured greenbacks for the purpose of buying in outstanding securities; and that, Mr. President, is proposed 10 days before the Treasury is going to have to go into the market to sell a new refunding issue; and the adoption of that part of the amendment will utterly destroy the market for Government bonds. It will be necessary to force them on the Federal Reserve banks, because the public will not buy a nickel's worth of them.

Mr. PITTMAN. Yes; we heard that for 3 years, and we heard only about 2 weeks ago that if any such inflation was even proposed, instead of the market for commodities going up it would probably go down. We heard that there was going to be wild excitement; but let me get back to that provision and show the Senator that he is not quite accurate now, even if this amendment should be enacted. I think I remember the amendment. I had something to do with assisting in drafting it.

Mr. FLETCHER. Mr. President, may I interrupt the Senator?

Mr. PITTMAN. Let me finish this branch of the discussion, and then I will yield to the Senator.

We are not issuing three billions of greenbacks. I answer that categorically as absolutely inaccurate.

Mr. REED. Why does the Senator put in the power to issue them, if we are not going to do it?

Mr. PITTMAN. I say, if we issue them, the Senator is inaccurate. The three billions that we issue in the first place will withdraw obligations of our Government of an equal amount. That is all that they can be issued for—maturing obligations of our Government to the extent of \$3,000,000,000. That is not all. They cannot be used for current expenses. Again, the same amendment provides for a sinking fund of 4 percent of the outstanding note issue which would redeem them in any event in 25 years.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. REED. Redeem them in 25 years without interest; and the Senator considers that sound money!

Mr. PITTMAN. It is not sound money to a banker, because he would not do anything without interest, and an awful lot of it; but I say it is perfectly sound as far as economics is concerned.

Mr. HASTINGS. Mr. President, will the Senator yield?

Mr. PITTMAN. In just a minute. I say that when we issue non-interest-bearing obligations to take up an interest-bearing obligation the obligations of the Government are less; and when we provide a sinking fund of 4 percent to retire the notes that have taken the place of those bonds, which are to be retired and canceled, we do a sound economic act.

Mr. REED. If that is so, then why is it not sound to issue greenbacks to pay the entire outstanding American debt?

Mr. PITTMAN. If we issued greenbacks, as in 1862, the act would be subject to the charge of unlimited inflation, but in this case we will have only \$3,000,000,000 through the Federal Reserve banks and possibly \$3,000,000,000 more through the Treasury.

Mr. REED. And the Senator really thinks that the \$3,000,000,000 limit will not be enlarged if we launch upon this experiment?

Mr. PITTMAN. It will not be enlarged if the opinion of the experts who have been advising the Republican Party for years is sound—that is, if that is sufficient to prime the pump. If that \$3,000,000,000 is sufficient to reestablish a sufficient rise in commodity prices to call private capital

into the market, there will never be any necessity for a further issue by the Treasury.

Mr. REED. The Senator approves, then, of the \$3,000,000,000 limit?

Mr. PITTMAN. Certainly.

Mr. REED. Why was it not put into the plan until yesterday afternoon?

Mr. PITTMAN. I do not know. There were a number of things put into it yesterday afternoon.

Mr. REED. Does the Senator happen to know that the President was expecting to send us that section with no limit in it whatever?

Mr. PITTMAN. I do not know anything of the kind. I know that he was not expecting to send us anything until it was completed, and I know that it was not completed, and that there was no final determination on it, until 2 o'clock yesterday afternoon. I know that to be a fact. If the Senator knows any more about what the President intended to do, I would like to have his information.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield first to the Senator from Florida, who rose some time ago.

Mr. FLETCHER. The Senator from Pennsylvania has made reference to greenbacks, and there have been a number of slurring remarks about greenbacks. Have we any better money in this country today than greenbacks? What are they talking about? Three hundred million dollars of greenbacks, with \$156,000,000 of gold in reserve.

Mr. REED. Precisely; and not one penny of gold is going to be behind these bills, call them greenbacks or not, as you please.

Mr. PITTMAN. Yes; and there is only 4 percent of gold behind \$120,000,000,000 of promises to pay in gold in this country, and everyone knows now that they never will be paid in gold if gold is demanded. The world knows it. There is 4 percent of gold behind the obligations, which was ample when people believed it was ample. Five hundred million dollars in our money in Great Britain, in the Bank of England, was ample for all the great credit of Great Britain as long as people believed it was ample. A reserve of 20 percent or 25 percent in a bank as against deposits is ample as long as depositors believe it is ample. But I say this, that when the discussion of war debts started throughout the world, and people understood what a small quantity of gold there was, and what a tremendous pyramiding of obligations burdened it, they doubted whether there was enough to pay such obligations. I hope that the time will come back when confidence will be sufficiently restored so that people and governments will believe that there is enough gold to meet normal current demands, and that unnecessary demands will not be made.

Mr. REED. The Senator has touched on a most interesting subject, and I wish that he would enlighten us as to this: Is it the intention of the Roosevelt administration to repudiate the promise to pay in gold which is contained in all of our outstanding Federal bonds?

Mr. PITTMAN. I have never heard anything that would indicate to my mind any such intention.

Mr. REED. Then it is expected that the Government will pay those bonds and their interest in one kind of dollars while we collect taxes in another kind. Is that the intention?

Mr. PITTMAN. The Senator knows well enough that there would not be the embargoes on gold now, and he knows well enough that there would not be the demand that gold be put in the Treasury now, if it were not known that it is impossible now, and perhaps will be for years impossible—certainly during this emergency—to redeem all Government obligations in gold. The Senator knows that.

Mr. REED. Then the Senator regards that promise as impossible of fulfillment, does he?

Mr. PITTMAN. I am afraid that it is impossible, under existing conditions throughout the world—

Mr. REED. The American people will be very sorry to hear that.

Mr. PITTMAN. I know they will be sorry to hear it; but the Senator asked me for my personal opinion. I believe that it is essential that this race throughout the world for the depreciation of currencies, for economic advantage which the countries obtain through depreciation of currencies, has to stop or there will be an end absolutely to anything except managed currencies, without relation to other currencies, which may bring international trade to the disappearing point.

Mr. REED. I agree with the Senator that the race between managed and constantly diminishing currencies has to stop, and that is why I am particularly sorry to see the United States launch into that race at this time.

Mr. PITTMAN. I think that the United States should not enter into a conference without every legitimate protection behind our Government. The United States never has used any power it was not necessary to use, and in my opinion it never will use any power it is not necessary to use; but I think that we would do a disservice to our Government and our people, and that we would be unpatriotic, if we sent our Government economically disarmed into any conference.

Mr. BORAH. Mr. President—

The PRESIDING OFFICER (Mr. GEORGE in the chair). Does the Senator from Nevada yield to the Senator from Idaho?

Mr. PITTMAN. I yield.

Mr. BORAH. I was detained from the Chamber, and I want to ask the Senator before he takes his seat, in case he has not covered the matter, how much inflation is possible under this amendment.

Mr. PITTMAN. I should say that under the amendment inflation would be possible to the extent of \$6,000,000,000.

Mr. BORAH. That must depend upon the proposition of securing the consent of the Federal Reserve Board?

Mr. PITTMAN. I am stating that as a possibility. If the Federal Reserve Board performed its banking functions, and used its money to buy Government securities to the amount of \$3,000,000,000, and that restored conditions of credit in this country, that would be the end of it. If it did not perform its function, then the additional power would reside in the President, when he found that to be a fact, to cause to be issued \$3,000,000,000 more of notes for the purpose of meeting maturities of Government obligations.

Mr. BORAH. But if we reach the conclusion that the Federal Reserve Board will not agree with the President on the first proposition, then the full amount of inflation which this amendment would provide would be \$3,000,000,000, would it not?

Mr. PITTMAN. That would be the limit of it.

Mr. BORAH. That is about two billions less than has been frozen in the banks since the 1st of March. That seems to me moderate inflation.

Mr. KEAN. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. KEAN. Is it not true that the Federal Reserve Board is appointed by the President of the United States, and therefore can he not have the Federal Reserve Board practically agree to anything he wishes?

Mr. PITTMAN. The Federal Reserve Board cannot make the Federal Reserve banks agree to anything, because they are individual banks, and the Senator must know that.

Mr. BORAH. Before this first provision of the amendment would go into operation, there must be consent on the part of the 12 directorships of the Federal Reserve System and the Federal Reserve Board in addition to that. In my opinion, judging the future by the past, it would be most difficult if not impossible to secure that.

Mr. REED. Mr. President, will the Senator yield to me to answer that?

Mr. PITTMAN. I yield.

Mr. REED. The Senator will have a fine chance to determine its impossibility on May 2, when the next issue of refunding securities will have to be made by our Treasury. The public will not buy them. The Federal Reserve banks

are going to be dragooned into taking them, and we will see whether they will withhold their consent.

Mr. BORAH. Mr. President, in view of the past, we need have no uneasiness about the Federal Reserve Board or the Federal Reserve directorships consenting to anything which would lead to any degree of inflation whatever. My doubt as to this amendment is that it does not provide sufficient inflation.

Mr. BARKLEY. Mr. President, will the Senator yield to me?

Mr. PITTMAN. I yield.

Mr. BARKLEY. The Senator will recall that in the emergency act we provided for practically \$2,000,000,000 of inflation, and that \$2,000,000,000 was printed by the Bureau of Engraving and Printing and is now down here on the shelf. Only 23 million of the \$2,000,000,000 has ever been called for, because banks through whom it was expected to be put into circulation have not asked for its use, because they will not make loans to people. In addition to that, there has been all along possible an inflation of about \$4,000,000,000, prior to the passage of the Emergency Banking Act, but due to conditions, to the lack of confidence, and to the fear which has existed among the people, among bankers and business men and everybody else, none of that money has gotten into circulation. The object of this amendment, as I understand it, is to create a currency which will find its way into circulation among the people and thereby perform the duty intended to be performed by all the possible currency for which we have provided in bills we have passed heretofore. Am I correct about that?

Mr. PITTMAN. I think so. I agree with the Senator, at least.

Mr. President, I wish to say this: I think we have disposed of the greenback question, because there will be as much behind the proposed notes as there is behind our bonds, because there is to be an amortization fund to pay off the notes. The only difference between the Treasury notes and a bond is that the bond draws interest and people make money out of it. But the bond does not serve the purpose of a circulating medium, and it is of far more benefit to the people of this country in this period of deflation than they have a circulating medium than that they have bonds locked up.

This currency—whether it is issued through the instrumentalities of the Federal Reserve System or, upon their failure to issue it, is issued directly by the Treasury—is to take up maturing obligations of the Government. It is taking an interest-bearing bond and substituting a non-interest-bearing bond with the power of circulation.

I know that we have had to argue time and time again the question as to whether or not there was enough circulating media in this country. We are constantly met with the statement that there is ample circulating currency in the country. But let us leave out the question of circulating currency. We will assume that there is \$4,400,000,000 of gold currency in circulation in the country. Let us assume that. Where is it? If it is in the Treasury of the United States, it is called from circulation; but if it is held in banks which are carrying 60 or 70 percent of their reserves against their deposits, it might as well be in the Treasury; because it is not circulating among the people, although termed by the Treasury "technically in circulation."

Of course, we all admit that one of the great circulating mediums of this country is checks on deposits. But we know that the turnover in checks since 1929 up until very recently—I do not know what they have been in the last few days, but up until very recently—was only about one fourth of what it was in 1929. So that much of our circulating media was put out of existence in this country.

With the existing currency tied up in banks to the extent of three times what it was in 1929, and our check turnover reduced three fourths by reason of there being no investment a depositor can make that will give an indication of profit, and our banks refusing to lend because property values have been falling, it appears unreasonable to denounce such limited expansion of currency as unlimited inflation.

We have all come to the point, we have nearly all agreed on it, that we cannot start the restoration in this country until we start a rise in commodity prices. Today, caused by the hope of the possible passage of this legislation, we find all commodities of this country enhanced in value, we see the price of wheat and cotton and other farm products and nearly everything else rising. Is that such a terrible calamity? Is it a terrible calamity that somebody has to pay a little more for the wheat he eats and the cotton he wears? Yet that is the argument of the Senator from Pennsylvania—that the man who has money has to pay more for the things he enjoys.

I just wish to say one more thing about that. I do not think that any intelligent, advised statesman believes in unlimited inflation. I agree with everything the Senator has said with regard to those examples of unlimited inflation, such as the case of the German mark. If he cannot draw a distinction between the power of the Treasury of Germany to issue unlimited paper marks and this measure, which authorizes a limit of \$3,000,000,000, allowing it to be used only for the retiring and canceling of an equal number of maturing outstanding Government obligations, and providing a sinking fund which will retire and cancel all those notes within 25 years, then it is totally impossible to explain to anyone in this country who is in favor of holding the purchasing power of money high, as the Senator is an able and intelligent man.

Mr. HATFIELD. Mr. President, has the Senator any facts that would determine the reserve which is held by the banking institutions of the country at the present time?

Mr. PITTMAN. Yes; we have reports on them. We very frequently have such reports. We had a report here the other day from the banks in New York, which indicated that those banks were carrying about 66 percent reserve. Such reports are being published all the time and they may be obtained from the Treasury Department every day.

In the discussion of this bill Senators are arguing a proposition which is called "inflation" and are trying to convince the people that it is similar to the action of Germany in relation to the mark, when there is no foundation whatever for the statement. The unfortunate thing about such statements is that this is the first relief that the people of the country have had in over 3 years, for it is a relief when we find wheat going up and cotton going up and meat products going up to a point where their price is almost reaching the cost of production. That result will encourage the people to take their deposits out of the banks and to use them. God knows, no one can argue that the deposits of the banks ought not to be used; but they will not be used except on a rising market.

It looks as though Senators maintaining the position of opposition to this policy would like to crush even the little increase in commodity prices that has taken place. The speech of the Senator is the old-fashioned scare speech. He compares the present condition to the most dire things which have happened in regard to inflated currency issues, such as happened to the German mark, when there is nothing on earth in this proposed amendment that justifies any relation to that situation whatsoever. We find the same old crowd around the Senate who were kicked out of the Government. We find the "greatest Secretary since Hamilton" casting his shadow around the Office Building; we find the next greatest Secretary since Hamilton, whose resignation was recently accepted by the Government of the United States as Secretary of the Treasury, casting his shadow again athwart our office buildings. What for? To maintain the magnificent prosperity of their administration under the same rules and laws and policies?

There is no use in fighting this proposal. This country demands cheaper money, and, with the aid of these able men who know banking, we can get cheaper money without running the risk of excessive inflation; but if Senators who are now opposing this proposal are successful in defeating it or long delay its inauguration, they will be responsible for a condition that may be far worse than conservative inflation. In any event, however, we are going to have cheaper

money. We are not going to make it necessary to produce 2 bushels of wheat in order to buy a dollar. We are not going any longer to require 25 pounds of cotton to buy a dollar. We are going to have a reasonable adjustment of prices as they were for 8 or 10 years in this country. That level is going to be brought about in spite of the opposition of Senators who resist this policy, and their scares and their efforts and their illogical and false comparisons are going to have no effect whatever on the proposed legislation.

Those Senators should be happy, they should be contented that there has been so much conservatism, so much care, so many safeguards thrown about the inflation. It were possible, under the dire suffering of the people, that they could have gone to wild inflation. When 30,000,000 people have suffered, not for 3 years but for 7 years, by reason of the prices of farm products being so low, by reason of the fact that their commodities would not buy enough dollars to pay their taxes and interest; when 13,000,000 idle men and women, with 13,000,000 dependents, are suffering; when a majority of the people of the country are in poverty and in distress, I say that Senators in opposition should congratulate the administration and should aid the administration in this conservative and safe approach toward inflation.

Mr. CONNALLY. Mr. President, the Senator from Nevada has made a splendid reply to the Senator from Pennsylvania [Mr. REED], but there were some statements made by the Senator from Pennsylvania which I wish to challenge.

The Senator from Pennsylvania bases much of his argument on the desire of protecting policyholders and investors in savings banks. He has stated that if we reduce the value of the dollar we shall imperil the man who has an insurance policy and will imperil the depositor in the savings bank. I want to remind the Senator from Pennsylvania that the holder of the insurance policy to whom he refers is already imperiled. But for the assistance of the Government the insurance companies would be in liquidation, as many of them are today. Why? Because their money is invested in farm mortgages and in home mortgages, and the values of real estate have gone down and down and down so that today, if the insurance companies of the United States, on the present value of the dollar, should liquidate, the holder of an insurance policy would not get the value of his policy, and the Senator from Pennsylvania ought to know that. Otherwise, why was it necessary for the Government to step in and finance the insurance companies in order to keep them from going into bankruptcy?

The Senator says that we must save the savings-bank depositors. But for the help of the Government the savings banks of this Republic would now be in the hands of receivers, as many of them are. Why? Because their money was invested in securities the prices of which were inflated because of the high dollar, the bloated dollar, the dropsical dollar, the diseased dollar. We speak of a "sound" dollar. No dollar is sound when it is bloated and extended to three times its purchasing power when the debts based upon that dollar were contracted. That is what would happen to the savings banks and insurance companies today if they were liquidated on the present value of the American dollar.

What about the deposits in the ordinary commercial banks of the country? Are they not entitled to some consideration? Let me remind the Senator from Pennsylvania that the reason banks have closed, the reason they are now in the hands of receivers, the reason they are in the hands of conservators is because of what? It is because their debtors, the people who owe the banks, cannot pay the banks their notes. Why? Because they contracted those debts on high values of commodities and on high values of securities, and now, due to the enhancement of the value of the dollar, they are unable to pay those debts because the value of their products has declined, the value of their real estate has declined, and so the reason that depositors in commercial banks throughout the Republic are suffering today is because of the high and exaggerated value of the dollar.

Let me ask the Senator from Pennsylvania, are not the depositors in ordinary banks entitled to some consideration? Is it only the savings-bank depositor that is en-

titled to his money at 100 percent?—no; not a hundred percent, but 250 percent, because the dollar now, in many cases, will buy in commodities 250 percent of what it would buy when those deposits were made.

The Senator from Pennsylvania contends that if we adopt any measure which will lower the value of the American dollar America will lose its dominating position in world trade. Mr. President, there has been no one more insistent than the Senator from Pennsylvania in declaring that America has lost its position in world trade because of the depreciated currencies of foreign countries. In the last Congress the Senator from Pennsylvania was repeatedly demanding that we lift the tariff walls against Europe higher and higher and higher on the plea that the countries of Europe, because of their depreciated currencies, were flooding our markets, taking away our foreign trade, and driving the American manufacturer and the American laboring man out of the market. Senators will bear witness to what I declare.

The Senator from Pennsylvania has repeatedly on this floor asserted that the fall of European currencies was ruining American foreign trade and ruining the American manufacturer because of the increase in our imports. Let the Senator consult the figures of the Department of Commerce which show that, relatively speaking, American imports are increasing and American exports are decreasing. What does that mean? It means that foreigners, through depreciation of their currencies, are injuring American trade abroad and our prices at home. The lifting of our money is the same as the lowering of their money. If we can put the value of the dollar down more nearly to the level of their currencies we shall correct that situation and may, in some part, regain the position which the Senator from Pennsylvania says we lately lost.

Mr. BORAH. Mr. President—

Mr. CONNALLY. I yield to the Senator from Idaho.

Mr. BORAH. I want to ask the Senator the question which I asked the Senator from Nevada. How much inflation does the Senator think there is in this bill?

Mr. CONNALLY. That depends, I shall say to the Senator from Idaho, of course, on how far the power granted is exercised.

Mr. BORAH. There is a limit to it, whatever power may be exercised.

Mr. CONNALLY. To be sure, but within that limit it depends. For instance, one clause provides that about \$3,000,000,000 of securities and notes may be issued, and, under another clause, the President may reduce the gold content of the dollar. If he should reduce the gold content of the dollar, of course there would be an increase of circulation, an increase of currency, because of the lessening of the value of gold in the dollar and the increase of the gold reserve in the Treasury.

Mr. BORAH. Then the Senator can make no estimate as to how much inflation we might have?

Mr. CONNALLY. I do not care to make an estimate because I do not really have information that is accurate, nor can I foretell the extent to which the powers may be exercised.

Mr. FLETCHER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Florida?

Mr. CONNALLY. I yield.

Mr. FLETCHER. Mr. President, in a few minutes I expect to submit the report to the Senate on the so-called "Thomas amendment." There is a provision inserted by the committee to the effect that the Federal Reserve Board shall have the power to increase or decrease the reserves required by the Federal Reserve banks. That will of itself check inflation, if a check shall be needed.

Mr. CONNALLY. Mr. President, the Senator from Florida has answered the Senator from Idaho.

Mr. BORAH. No; the Senator from Florida did not answer the Senator from Idaho.

Mr. CONNALLY. I was not able to hear what the Senator from Florida said, but, noting the contented look on

the face of the Senator from Idaho, I assumed that the Senator from Florida had answered his question.

Mr. FLETCHER. Mr. President, I merely mentioned a provision added by the committee which will constitute a check.

Mr. ROBINSON of Arkansas. Mr. President—

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Arkansas?

Mr. CONNALLY. I yield.

Mr. ROBINSON of Arkansas. As a partial answer to the question submitted by the Senator from Idaho, there is a possible inflation of the currency under the first paragraph of the amendment of a maximum amount of \$3,000,000,000. What other expansion may take place, if any, will depend upon the application of the amendment by the President.

Mr. BORAH. I presume that there could be expansion of \$3,000,000,000 under the first clause if the President and the Reserve Board should agree, and under the second clause, if the President should see fit, he could issue \$3,000,000,000 of currency notes. That would make \$6,000,000,000 all told. That is what I have assumed to be the sum total of inflation which could take place. My opinion is that about \$3,000,000,000 is what will take place. There is little reason to assume that the Federal banks and the Federal Board will consent to inflation in any respect.

Mr. KEAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from New Jersey?

Mr. CONNALLY. I yield.

Mr. KEAN. Mr. President, I will say that under this bill, as I understand it, first there can be an expansion of \$3,000,000,000 under clause 1 and, second, an expansion of \$3,000,000,000 under clause 2. Then the bill gives the President the right to reduce the gold content of the dollar to 50 cents, which would double the total amount of currency outstanding.

Mr. CONNALLY. Mr. President, in reply to the Senator from Idaho let me add, suppose we should inflate to the extent of \$6,000,000,000; we will not then have done much more than to regain the ground which was lost by the closing of the banks. There are now approximately \$6,000,000,000 of bank deposits frozen in the closed banks of the country.

Mr. BORAH. I would not have the Senator think that I am alarmed over the amount of the expansion. I do not think it is excessive. I have had little opportunity to study the measure, but my first impression is that in its practical effect there will be but moderate inflation.

Mr. CONNALLY. I so understood the Senator a while ago.

Mr. President, to those who are fearful of wild inflation such as the Senator from Pennsylvania suggested, such as that which occurred in Germany and Russia, let it be known that there are safeguards in this measure and that it is impossible to enter upon any such campaign of wild inflation as ever was dreamed of in those countries. Where is the gold of America? It is locked up. We have the largest gold reserve in the world. It is locked up to redeem America's obligations and to guarantee the payment of America's currency. It is locked up and there is an embargo on it. Does anybody fear that that reserve is going to be dissipated? Of course not. That reserve will remain here for use of the Government.

The Senator from Pennsylvania complains about paper money. He voted for the Glass-Steagall bill, which provided for the issuance of paper money secured by Government bonds, which is comparable in some respects to the provisions of this measure. He fears the issuance of paper currency, but he voted, I am sure, for the Borah amendment, which provided for the issuance of currency by the national banks upon the security of Government bonds alone. That is what is provided in this measure in one of its features.

According to the theory of the Senator from Pennsylvania, the country would be better off if commodities went still lower, because the savings banks' depositors would get more

on their savings, the life insurance policy beneficiaries would get more from the holder's estate. Talk about the increased cost of living! What about the millions of people in America who are toiling on the farms and ranches and in other occupations that do not yield a livelihood? Are not they entitled to some consideration? Is all the consideration to be given to the industrial workers, to the savings-bank depositors, to the life-insurance policyholders?

The Senator from Pennsylvania and other Senators know that the dollar now, on its present valuation measured by commodities, is not a sound dollar. They know it is not a just dollar. They know it is not a fair dollar. They know it is not an honest dollar.

Mr. President, the Senator from Pennsylvania also said that Great Britain had not achieved any advantage by going off the gold standard. He has contradicted his own argument which he made heretofore that she has helped her trade and is not going back on the gold standard until she is well prepared to do so unless by international agreement.

Mr. President, I wanted to make these observations in reply to statements made by the Senator from Pennsylvania. He represents that particular school of thought that wants to stand still. The administration of Mr. Hoover, largely under the leadership of the Senator from Pennsylvania, undertook to inflate, but not with money. It undertook to inflate with credit. It produced the Reconstruction Finance Corporation, which proposed to raise prices and revive business by taking the Government's money and handing it over to borrowers who would take it to the banks and pay their debts, and as a result there was no inflation at all because it was simply a transfer of the obligations from that class of creditors to the United States Treasury, and when the banks got the money they locked it up in their vaults and refused to lend it. The Hoover policy of inflation did not work for the common good. It worked only for the benefit of those people who got money out of the Reconstruction Finance Corporation.

The Senator from Pennsylvania believes in the doctrine of "stand still and do nothing." The power of the Government ought to be exerted within its constitutional limits whenever the necessities of the situation require affirmative action. With foreign governments depreciating their currency, beating the United States in the matter of world trade, cutting down our exports and increasing our imports, hammering down the prices of our exportable wheat and cotton and the products of our factories, fields, and ranches, if the Government of the United States is indifferent to the needs of its own people and does not attempt to exercise its powers to meet those conditions and offset this campaign against American finance and American business, then we ought to adjourn the Senate and go home.

Mr. SHIPSTEAD obtained the floor.

Mr. FLETCHER. Mr. President, will the Senator yield to me?

Mr. SHIPSTEAD. For what purpose, may I inquire?

Mr. FLETCHER. I desire to submit a report from the Committee on Banking and Currency.

Mr. SHIPSTEAD. Oh, certainly; I yield to the Senator for that purpose.

Mr. FLETCHER, from the Committee on Banking and Currency, to which was referred the amendment intended to be proposed by Mr. THOMAS of Oklahoma to House bill 3835, the farm relief bill, reported it with amendments and submitted a report (No. 40) thereon.

The report was ordered to be printed and to be printed in the RECORD, and it is as follows:

[Senate Report No. 40, Seventy-third Congress, first session]

CURRENCY AMENDMENT TO FARM RELIEF BILL

Mr. FLETCHER, from the Committee on Banking and Currency, submitted the following report to accompany amendment of Mr. THOMAS of Oklahoma to H.R. 3835:

The Committee on Banking and Currency, to whom was referred the amendment (relating to the currency) intended to be proposed by Mr. THOMAS of Oklahoma to the bill (H.R. 3835) to relieve the existing national economic emergency by increasing agricultural purchasing power, having considered the same, report favorably thereon with amendments and recommend that the proposal do pass. However, the committee recommend that the

proposal be not attached as an amendment to the agricultural bill (H.R. 3835), but that it should be passed as a separate measure.

The amendment of Mr. THOMAS of Oklahoma as proposed to be modified is as follows:

[Omit the part in black brackets and insert the part in italic]

Amendment intended to be proposed by Mr. THOMAS of Oklahoma to the bill (H.R. 3835) to relieve the existing national economic emergency by increasing agricultural purchasing power, viz: On page 43, after line 5, insert:

"PART 6. FINANCING—AND EXERCISING POWER CONFERRED BY SECTION 8 OF ARTICLE I OF THE CONSTITUTION: TO COIN MONEY AND TO REGULATE THE VALUE THEREOF

"Sec. 34. Whenever the President finds, upon investigation, that (1) the foreign commerce of the United States is adversely affected by reason of the depreciation in the value of the currency of any other government or governments in relation to the present standard value of gold, or (2) action under this section is necessary in order to regulate and maintain the parity of currency issues of the United States, or (3) [that] an economic emergency requires an expansion of credit, or (4) [that] an expansion of credit is necessary to secure by international agreement a stabilization at proper levels of the currencies of various governments, the President is authorized, in his discretion—

"(a) To direct the Secretary of the Treasury to enter into agreements with the several Federal Reserve banks and with the Federal Reserve Board whereby the Federal Reserve Board will, and it is hereby authorized to, notwithstanding any provisions of law or rules and regulations to the contrary, permit such reserve banks to agree that they will, (1) conduct, pursuant to existing law, throughout specified periods, open-market operations in obligations of the [Federal] United States Government or corporations in which the United States is the [principal] majority stockholder, and (2) purchase directly and hold in portfolio for an agreed period or periods of time Treasury bills or other obligations of the United States Government in an aggregate sum of \$3,000,000,000 in addition to those they may then hold, unless prior to the termination of such period or periods the Secretary shall consent to their sale. No suspension of reserve requirements of the Federal Reserve banks, under the terms of section 11[c] (c) of the Federal Reserve Act, necessitated by reason of operations under this section, shall require the imposition of the graduated tax upon any deficiency in reserves as provided in said section 11[c] (c). Nor shall it require any automatic increase in the rates of interest or discount charged by any Federal Reserve bank, as otherwise specified in that section. *The Federal Reserve Board, with the approval of the Secretary of the Treasury, may require the Federal Reserve banks to take such action as may be necessary, in the judgment of the Board and of the Secretary of the Treasury, to prevent undue credit expansion.*

"(b) If the Secretary, when directed by the President, is unable to secure the assent of the several Federal Reserve banks and the Federal Reserve Board to the agreements authorized in this section, or if operations under the above provisions prove to be inadequate to meet the purposes of this section [of this act], or if for any other reason additional measures are required in the judgment of the President to meet such purposes, then [he] the President is authorized—

"(1) To direct the Secretary of the Treasury to cause to be issued in such amount or amounts as he may from time to time order, United States notes, as provided in the act entitled 'An act to authorize the issue of United States notes and for the redemption of funding thereof and for funding the floating debt of the United States', approved February 25, 1862, and acts supplementary thereto and amendatory thereof, in the same size and of similar color to the Federal Reserve notes heretofore issued and in denominations of \$1, \$5, \$10, \$20, \$50, \$100, \$500, \$1,000, and \$10,000; but notes issued under this subsection shall be issued only for the purpose of meeting maturing Federal obligations to repay sums borrowed by the United States and for purchasing United States bonds and other interest-bearing obligations of the United States: *Provided*, That when any such notes are used for such purpose the bond or other obligation so acquired or taken up shall be retired and canceled. Such notes shall be issued at such times and in such amounts as the President may approve but the aggregate amount of such notes outstanding at any time shall not exceed \$3,000,000,000. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, an amount sufficient to enable the Secretary of the Treasury to retire and cancel 4 percent annually of such outstanding notes, and the Secretary of the Treasury is hereby directed to retire and cancel annually 4 percent of such outstanding notes. Such notes and all other coins and currencies heretofore or hereafter coined or issued by or under the authority of the United States shall be legal tender for all debts public and private.

"(2) By proclamation to fix the weight of the gold dollar in grains nine tenths fine at an amount that he finds is necessary from his investigation to protect the foreign commerce of the United States against the adverse effect of depreciated foreign currencies, or in case the Government of the United States enters into an agreement with any government or governments under the terms of which the ratio between the value of gold and other currency issued by the United States and by any such government or governments is established, the President may fix the weight of the gold dollar in accordance with the ratio so agreed upon, and such gold dollar, the weight of which is so fixed, shall

be the standard unit of value, and all forms of money issued or coined by the United States shall be maintained at a parity with this standard and it shall be the duty of the Secretary of the Treasury to maintain such parity, but in no event shall the weight of the gold dollar be fixed so as to reduce its present weight by more than 50 percent.

"Sec. 35. The Secretary of the Treasury, with the approval of the President, is hereby authorized to make and promulgate rules and regulations covering any action taken or to be taken by the President under subsection (a) or (b) of section 34.

"Sec. 36. (a) The President of the United States is authorized to accept silver, in amounts not to exceed in the aggregate in value in the United States currency \$100,000,000, in payment of the whole or any part of any amount of principal or interest due from any foreign government or governments on account of any indebtedness to our Government, such silver to be accepted at not to exceed the price of 50 cents an ounce. The authority of the President to accept silver as herein authorized shall be limited to a period of not to exceed 1 year from the passage of this act.

"(b) The silver bullion [purchased] *accepted and received* under the provisions of this section shall be subject to the requirements of existing law and the regulations of the mint service governing the methods of determining the amount of pure silver contained, and the amount of the charges or deductions, if any, to be made; but such silver bullion shall not be counted as part of the silver bullion authorized or required to be purchased and coined under the provisions of existing law.

"(c) The silver accepted and received under the provisions of this section shall be deposited in the Treasury of the United States, to be held, used, and disposed of as in this section provided.

"(d) The President shall cause silver certificates to be issued in denominations of \$1, to the total number of dollars for which such silver was accepted in payment of debts. Such silver certificates shall be used by the Treasurer of the United States in payment of any obligations of the United States.

"(e) The silver so accepted and received under this section shall be coined into standard silver dollars and subsidiary coins sufficient, in the opinion of the Secretary of the Treasury, to meet any demands for redemption of such silver certificates issued under the provisions of this section, and such coins shall be retained in the Treasury for the payment of such certificates on demand. The silver so [obtained and deposited] *accepted and received* under this section, except so much thereof as is coined under the provisions of this section, shall be held in the Treasury for the sole purpose of aiding in maintaining the parity of such certificates as provided in existing law. Any such certificates or reissued certificates, when presented at the Treasury, shall be redeemed in standard silver dollars, or in subsidiary silver coin, at the option of the holder of the certificates: *Provided*, That, in the redemption of such silver certificates issued under this section, not to exceed one third of the coin required for such redemption may in the judgment of the Secretary of the Treasury be made in subsidiary coins, the balance to be made in standard silver dollars.

"(f) When any silver certificates issued under the provisions of this section are redeemed or received into the Treasury from any source whatsoever, and belong to the United States, they shall not be retired, canceled, or destroyed, but shall be reissued and paid out again and kept in circulation; but nothing herein shall prevent the cancellation and destruction of mutilated certificates and the issue of other certificates of like denomination in their stead, as provided by law.

"(g) The Secretary of the Treasury is authorized to make rules and regulations for carrying out the provisions of this section.

"Sec. 37. Section 19 of the Federal Reserve Act, as amended, is amended by inserting immediately after paragraph (c) thereof the following new paragraph:

"Notwithstanding the foregoing provisions of this section, the Federal Reserve Board, upon affirmative vote of not less than five of its members and with the approval of the President may declare that an emergency exists by reason of credit expansion, and may by regulation during such emergency increase or decrease from time to time, in its discretion, the reserve balances required to be maintained against either demand or time deposits."

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from Minnesota yield for a brief statement in connection with the report just made?

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Arkansas for that purpose?

Mr. SHIPSTEAD. Certainly, Mr. President.

Mr. ROBINSON of Arkansas. Mr. President, an interesting and perhaps important question has been raised with respect to the subject matter of the amendment just reported by the chairman of the Committee on Banking and Currency, the Senator from Florida [Mr. FLETCHER]. That question is whether the Senate shall proceed to consider the amendment referred to as an amendment to the pending farm bill or shall treat it as a separate measure. It is expected by the proponents of the amendment that it will be offered as a provision in the pending bill.

There are some reasons which may be stated in justification of this policy. In the first place, there is pending now an informal conference of the very greatest importance pre-

liminary to the international economic conference which is expected to be held in the early future.

If anything is to be accomplished in connection with the stabilization of exchange and of foreign currencies, it is desirable that the authority of the President be defined as soon as practicable. The President feels that it would be of great value and assistance to him to have this amendment considered and disposed of as soon as may be found practicable, to the end that he may know and that others interested in the conference may know the extent of his authority, to the further end that he may be assisted and supported in making arrangements which it is believed are of first importance to the commerce of the United States, to domestic conditions as well, and for that matter to the business situation in various parts of the world.

It is not expected that the amendment will be acted upon without fair consideration by the Senate. It is anticipated, however, in view of what has been stated by certain Senators as reported in the press, that if a deliberate filibuster is undertaken in connection with the amendment, the Senate will avail itself of the opportunity to terminate that filibuster under its rules.

This statement is made not as a threat but as a public and open response to declarations made by the Senator from Pennsylvania [Mr. REED] or attributed to him in the press to the effect that it is proposed to delay action on the amendment for a considerable period for the purpose of quickening, if possible, public sentiment throughout the country in opposition to it.

Mr. President, in all fairness, that course ought not to be taken. I have no power and no disposition to impose my views upon any other Senator, but I do desire that all Senators understand that if the President of the United States is to be hampered and impeded in the all-important work which he is just now undertaking, in carrying on negotiations with the representatives of some of the principal foreign governments preliminary to the proposed international economic conference, that fact should be known to the country and the Senate should consider and act upon the amendment in the light of that fact.

Mr. President, I thank the Senator from Minnesota for so kindly yielding to me.

Mr. HASTINGS. Mr. President, will the Senator from Minnesota yield?

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Delaware?

Mr. SHIPSTEAD. For what purpose, may I inquire?

Mr. HASTINGS. I just want to ask the Senator from Arkansas whether it would be a practical matter to temporarily lay aside the farm bill so that we might take up immediately the amendment that has been reported by the Chairman of the Committee on Banking and Currency instead of adding it to the farm bill?

Mr. ROBINSON of Arkansas. No. The farm bill cannot be temporarily laid aside, because it is proposed that the amendment shall be considered as an amendment to the farm bill. I have no objection to proceeding to the consideration of the amendment whenever it is offered. If the Senator makes that request when the amendment has been offered, I shall consent to it if other Senators see fit to do that same thing.

Mr. HASTINGS. I understood the purpose or necessity of considering it as a part of the farm bill is the fact that the President desires the discussion to be going on while the international conference is in progress. If that be true, it occurred to me that we might accomplish the purpose by laying aside the farm bill and giving those of us who may be willing to support the farm bill, and who are opposed to the amendment, an opportunity to express ourselves.

Mr. ROBINSON of Arkansas. No, Mr. President. I tried to make it clear in my first statement that that is not the policy which it is expected will be pursued. It is expected that the amendment will be offered whenever the opportunity arises to offer it, and that the Senate may then at its pleasure proceed to the consideration of the so-called "inflation amendment."

Mr. McNARY. Mr. President, will the Senator yield for just a moment?

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Oregon?

Mr. McNARY. I shall be obliged to the Senator if he will.

Mr. SHIPSTEAD. I shall be glad to yield to the Senator from Oregon. Let me say, however, that after the Senator has finished I hope this controversy will be carried on at another time and at a later hour.

I yield to the Senator.

Mr. McNARY. Mr. President, it is unfortunate for myself that I was not on the floor when the Senator from Arkansas [Mr. ROBINSON] made his statement with respect to the amendment about to be proposed by the Chairman of the Banking and Currency Committee. I expressed yesterday the hope that it might be presented, if at all, as a separate measure. I repeat, it is not fair to the Members of the Senate to be confronted with a situation such as they have in the matter of the proposed legislation.

We have a farm bill with three different sections to it. A few are in favor of all of them. When an inflationary proposal is attached which is wholly separate from the subject attempted to be treated by the farm bill, many will vote in favor of the farm bill who will not vote for and do not favor the proposal to be submitted by the Senator from Florida, the Chairman of the Banking and Currency Committee.

It is impossible by a single vote, it is impossible by a series of votes, for one to express his views on these unrelated subjects; and in all fairness to orderly legislation and to the Senator himself, who always desires to express his views on particular measures, I submit that this combination presents a situation where it is impossible for a Senator properly and fairly to express himself by a vote. It has been my very strong hope that the unfairness of that situation would be seen by the able Senator from Arkansas.

Now, Mr. President, I am told that the Committee on Banking and Currency have reported to the Senate that this amendment should be proposed as a separate bill. In view of that great committee's judgment and recommendation, why can we not take up and conclude the farm bill, and at a seasonable time take up the other bill if it is reported from the committee favorably as a separate measure?

I make that appeal to the Senator in fairness to every Member of the Senate.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from Minnesota yield?

Mr. SHIPSTEAD. I yield.

Mr. ROBINSON of Arkansas. It is always a pleasure to me to respond to any suggestion that the Senator from Oregon may make when I find myself in a position to do so. If he had heard the statement that I made prior to his recent entry into the Chamber—he was necessarily absent—he would have understood that my object in rising at this time is to settle, insofar as I can do so, the doubt that has arisen as to what the procedure will be with respect to the so-called "inflation amendment."

The President feels that it is essential that such action as the Congress may be disposed to take on the subject shall be taken as soon as is practicable. Since the purpose of a filibuster has been announced—not by the Senator from Oregon but by other Senators, including the Senator from Pennsylvania—against the inflation amendment, I do not find it practicable or possible to respond to that spirit by indicating a desire to delay action on the amendment which has just been reported by the Senator from Florida.

We have the same situation with respect to almost every bill that comes in here. Frequently amendments are incorporated that Senators vote against, and they always have the alternative of either supporting the measure or refusing to support it after the amendments are incorporated.

Senators will not only have the opportunity of discussing fairly and fully the proposed amendment having relation to the currency, but, if it be incorporated in the bill, they

will still have the opportunity of voting for or against the bill.

Of course, it is true that there are some Senators for the currency amendment who are opposed to the farm bill, and there may be some Senators who are opposed to other provisions of the farm bill who are for the currency amendment; but if we wait until this preliminary conference is over, the amendment will fail of its first, immediate purpose. If we wish to strengthen the hands of the President in the very heroic and difficult task which he is assuming—a task in which, in my judgment, he has the support of 95 percent of the people of the United States without regard to age, race, color, or previous condition of servitude—if we want to give him encouragement and assistance, we should define his authority in time for that definition to be reflected in his negotiations which are commencing this evening.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator from Minnesota yield?

Mr. SHIPSTEAD. For what purpose?

Mr. THOMAS of Oklahoma. I desire to clarify the present parliamentary status of the proposed amendment. I ask the Senator to yield for that purpose.

Mr. SHIPSTEAD. For how long?

Mr. THOMAS of Oklahoma. Half a minute.

Mr. SHIPSTEAD. Very well.

Mr. THOMAS of Oklahoma. Mr. President, on yesterday, by unanimous consent, I offered an amendment. Further by unanimous consent it was referred to the Banking and Currency Committee. I understand that the Banking and Currency Committee has submitted a report on that amendment. I now ask if that is correct.

The PRESIDING OFFICER. The report has been submitted to the Senate.

Mr. THOMAS of Oklahoma. Then, I understand that the amendment and the report accompanying it are now on the Vice President's desk. Is that correct?

The PRESIDING OFFICER. The Senator's understanding is correct.

Mr. THOMAS of Oklahoma. A third inquiry: There is now pending an amendment to what is known as the "farm relief bill"?

The PRESIDING OFFICER. The pending amendment is the amendment offered by the Senator from Minnesota [Mr. SHIPSTEAD] to the amendment of the Senator from New York [Mr. WAGNER].

Mr. THOMAS of Oklahoma. Will it be in order as soon as that amendment is disposed of for me to propose and offer the amendment as reported by the Banking and Currency Committee?

The PRESIDING OFFICER. In the opinion of the present occupant of the chair, it will be.

Mr. BARKLEY. Mr. President, if the Senator from Minnesota will yield at that point—

Mr. SHIPSTEAD. No, Mr. President; I refuse to yield any further. Every Senator has the right to take the floor in his own right. I do not intend to occupy the floor for the rest of the day. There will be plenty of opportunity to continue this controversy after I am through.

I rose merely for the purpose of addressing the Senate for a few minutes on the subject which was called to the attention of the Senate first by the Senator from Pennsylvania [Mr. REED] and was discussed also by the Senator from Nevada [Mr. PITTMAN] and the Senator from Texas [Mr. CONNALLY].

It is a subject that is of momentous consequence for this country. I hope I can discuss it temperately; and I shall follow the rule that I have always followed in the Senate, never to discuss any question here in a partisan spirit. This question is of too great importance to be discussed from the standpoint of party politics.

May I suggest to the Senate that the condition in which we find ourselves now comes as a logical consequence of policies and acts that we have committed in the past? The situation in which we find ourselves now was as inevitable as a result of the policies practiced in the last 15 years as

that the sun will rise tomorrow morning. Where we are going from here I am sure I do not know.

Mr. NORRIS. But we are going.

Mr. SHIPSTEAD. Where we go will depend upon the policies we inaugurate and pursue from now on.

Now, I desire to call to the attention of the Senate the fact that I am absolutely opposed to unbridled inflation as much as I am opposed to unhampered deflation. We hear so much from certain quarters about the dangers of inflation; and they cannot be underestimated. We have had examples in Europe of that. We have had examples of the dire results of unbridled inflation in our own country. As a matter of fact, the credit inflation from 1924 to 1929 destroyed the credit system of the United States; and, as a result of policies we have pursued since, we are on the road to destroy the credit system of the Government itself by an unwise, I might say almost insane, abuse of the credit system of the United States.

During the years 1924 and 1929 I was presumptuous enough to protest on the floor of the Senate against the unbridled inflation of credit and cheapening of the dollar, resulting in higher prices and unbridled speculation. Those who now cry against inflation did not respond at the time. They called it "prosperity."

Senators talk about the inflation of Germany. I venture to say that there were not so many people dispossessed of their property, there were not so many bankruptcies in Germany, as a result of the inflation of its currency, as have resulted here from the inflation of our credit system that ended in the bursting of the bubble in 1929 and the resulting deflation. Both kinds of inflation resulted from and were caused by an unwise administration of credit policies in both countries.

Certainly the condition that we have here today is an inevitable result of the unwise credit policies pursued both by private finance and by the Government during the last 10 or 15 years.

The most important function that a credit system can render to the country is that those who manage it shall so manage it as to prevent a fluctuation in the monetary unit. The dire consequences to industry, to commerce, to property rights, to the income of the Government itself that can come from fluctuation of the purchasing power of the monetary unit should not be necessary to be discussed here now. We know them by bitter experience.

It is well known by the most eminent economists of the world that the most important duty of those who control the credit system is to maintain the stability of the monetary unit; and because we have failed to do that we have had this alternate inflation and deflation, cheap dollar and dear dollar. Going one way, we destroy the property of one class of people, the creditor class. By an unlimited and unhampered deflation we destroy the value of property; we destroy and bankrupt the debtor; and we are rendering no service to the Nation in either direction that we may travel.

It has been said that England did not accomplish anything by going off the gold standard. England did not inflate after leaving the gold standard, but she accomplished this: Through proper management of her currency, managing her monetary unit for the benefit of Great Britain, so far as Great Britain could be benefited, Britain stopped the descending price level in 1931, when she went off the gold standard, and the price level of Great Britain today is about the same as it was in 1931, or possibly 2 percent above. We, through our management of foreign exchange and our currency system, permitted prices to continue to decline. So we are where we are today.

Now we are off the gold standard. We do not know where our currency is at the present time. In the inflation of credit from 1924 to 1929 the unlimited supply of capital issues that were peddled throughout the country piled such an overhead burden of charges and debts that they never could be liquidated, and, of course, our currency would have to go where it is today, and we do not know where it is going now.

The question is, Can we now so manage our currency as to counterdeflate, to stop the deflation, and start on an orderly road back to a revaluation by an orderly and controlled inflation, building a better foundation for our credit system, without going to extremes of inflation, as was done in Germany, or without going to the extreme of the inflation in this country which ended in the explosion of 1929.

I have not had an opportunity to study the provisions of the Thomas amendment. I understand there are other amendments to be offered which are not now before the Senate.

Mr. President, I wanted to take a few minutes to point out that the dangers of deflation are as destructive to property values and to property rights and to human rights as are the extremes of inflation. One is as bad as the other, and unless we can create some agency of control of credit, of management of currency, so as to have some form of stability in order that citizens engaged in industry and trade may know what the value of currency and foreign exchange is going to be, we will be like a boat drifting at sea, going from bad to worse. I hope that can be done. I think it is far more important to the recovery of this country, to the safety of this country, than any other question we can discuss here; but discussion will not solve the problem, unless we act in such a way that we shall inaugurate policies which will lead to recovery, rather than increase the suffering, the uncertainty, the insecurity of the people of this country today.

Mr. President, because of the things which were said here this afternoon, with implications of a recommendation for further deflation, I will say, with all due respect to anyone who does not agree with me, that I think a man in public life, a man who is a citizen of the United States, who upholds the policy of deflation which has been deliberately encouraged since the crash of 1929, is as dangerous to the welfare of the country as is any man who advocates an unbridled inflation, which may make the dollar worth 1 cent. So, when we discuss the things which we are to discuss in the next few days, I hope no one will take umbrage if I suggest that we bear the two extremes in mind. No one desires one or the other. We cannot let this deflation go on, dispossessing millions of people of their property, destroying all values in our institutions, destroying the values back of the life-insurance policies and the savings-bank deposits, destroying the values of all the assets in the banks, making property worthless, bankrupting the farmer and everyone else. Property that is worthless is as worthless as money that is worthless. One is as bad as the other.

There has been a tendency here to uphold one and not the other, and for that reason I dare to impose upon the Senate for just a few minutes to call attention to the dangers involved in both, in order, though possibly it may be too ambitious a hope, that it might lead to a concentrating on the happy medium which I am sure we are all trying to reach.

Mr. VANDENBERG. Mr. President, I have no desire to discuss at the moment the direct question of currency inflation which has been involved in the debate thus far this afternoon, but it does seem to me highly essential to call attention to the fact that there are two different movements affecting our money resources now organizing themselves under the roof of the Treasury. Unless they are harmonized they represent a futile paradox. Regardless of what happens in respect to inflation upon the one hand, I submit that deflation must stop, upon the other.

One movement deals with currency inflation, and the other movement deals with a liberalization of the banking formula of the country, under which we are to endeavor to repossess the American people of their deposits in the banks of the Nation. It seems to me that we have our emphasis entirely in the wrong place this afternoon if the emphasis is exclusively upon the former movement, and if we cease to realize the utter importance of the latter movement and allow it to lose its essential impulse.

Mr. President, all the emphasis this afternoon has been upon currency in its physical sense. Even in dealing with currency in its physical sense—money, as we understand it—the emphasis has been entirely upon the volume of this physical currency, rather than upon the philosophy of its use. The latter phase defines the actual utility of whatever volume of physical currency either exists or may subsequently be created. That means, as I view it, another misplaced emphasis, because whatever type of currency the Nation shall have it is sterile unless it goes to work and stays at work.

Mr. President, currency at work is bank-credit currency. It becomes the type and token of exchange which is represented by bank checks and kindred evidences of a negotiable credit. It is credit money. It is the major money of the Nation; and it is at present fatefully strangled.

The importance of this latter type of money, because it is actual money in its essence and in its effect, is at least 15 times as great as the importance of physical currency itself. This is susceptible of easy proof. Therefore I take the liberty of submitting the thought that it will be perfectly futile for us to proceed in respect to physical currency on an inflationary or any other basis unless and until the deflationary policy of the Treasury and Federal Reserve Board and Federal Reserve district banks in respect to the banking formula of the Nation shall be liberalized. Perhaps, without intending disrespect, I should say this policy should be rationalized.

I take the liberty of submitting the thought that if we concentrate our view upon physical money and cease to realize the desperate fundamental importance of the closed-bank problem and the limited-bank problem in the United States, we have ceased to keep our vigil at the point where it has its first and most fundamental effect upon the lives, the happiness, and the resources of the American people. Indeed we thus should cease our primary attentions to the very existence of countless American communities.

Mr. President, that is not my idea alone, by any manner of fashion. The Associated Press reported upon April 19 that at the request of the Finance Committee of the United States Senate Dr. Warren M. Persons, prominent economist, had submitted a "program for the rehabilitation of our economic system which, among others, envisions a controlled dollar."

I call attention to the fact that I am discussing the opinion of a high economist enlisted by the Finance Committee of the Senate for the purpose of obtaining an authoritative view respecting the precise problem now at the bar of the Senate. Let me continue reading from that Associated Press report:

As a preliminary to his plan or the adoption of any other plan for stopping continued deflation, Dr. Persons is of the opinion that it may be necessary to "take definite action for preventing runs on banks." In this respect he holds "it may be necessary for the Government and the banks to guarantee temporarily the deposits of those banks which are allowed to open."

Mr. President, I want to subscribe most emphatically in this aspect to Dr. Persons' view. I want to insist again that, no matter what we do with the currency, if we are going to save an opportunity for the great mass of the American people to enjoy their share of whatever recuperation we may have in mind, we have, first of all, to stabilize the banking function; we have, first of all, to open closed banks; we have, first of all, to release the impounded banking resources which belong to the great mass of American depositors; we have, first of all, to make American savings safe for Americans.

Mr. President, I protest that too much emphasis can be put upon currency in its physical sense if that emphasis is at the expense of a realization that we have not yet developed, under the auspices of the Treasury and of the Federal Reserve System, a livable formula for reopening the yet unopened banks of this Nation.

I welcomed another news dispatch as reported by the Associated Press on the same date, namely, April 19, and I quote again:

In announcing the conference here today—

That is, in Washington—

In announcing the conference here today of the governors of the 12 Federal Reserve banks, Secretary Woodin made it clear that he was looking primarily for means of putting into operation the idle currency now available to the banks, and the freeing of four or five billion dollars locked up in closed institutions.

Mr. President, I submit that when Secretary Woodin was dealing with that phase of this dual problem, on the 19th of April, he was dealing with the first problem that has to be answered. He was belatedly putting first things first. But the Senate is not putting first things first when it deals with currency inflation instead of dealing with the so-called "Glass bill", and whatever adequate provision it may have within it, or which can be put in it, for the insurance of the bank deposits of this Nation. It is folly to tamper with the superstructure until the foundations are renewed in safety.

I confess that the announcement of the Secretary sounded rather ironical in some of our ears, particularly in Michigan ears, in view of the fact that this optimistic word respecting the release of idle currency and the opening of closed banks came upon the very heels of a declination, a refusal, to permit 250 closed banks in the State of Michigan to reopen upon a basis established by action of the State legislature, upon a basis which every man in Michigan believed would create sound institutions which can permanently stand. I speak with respect and with an appreciation of the time which Treasury officials gave me in these long negotiations, and of what ultimately may prove to be a more helpful attitude. But I speak with profound regret that we were not allowed to proceed to swift convalescence.

What is the use of pretending to give a different type of currency—if that is what you are going to do—to the depositor in closed banks up and down the country if he cannot even get at the basic deposit itself which has got to be translated into this new currency? The primary need is to release the deposit and reopen the bank upon a basis which will permit it to stay open, and, equally important, upon a basis which gives the depositor the maximum and immediate use of his deposits.

Those 250 closed banks in a single State represent the very life and livelihood of at least a hundred communities. I hesitate to contemplate what may happen in respect to those communities if all the deposit resources of their people and their local governments shall remain frozen and then subsequently shall be ruthlessly liquidated under the hammer of the auctioneer at the knock-down prices of today.

So it is, Mr. President, I say that I heartily welcome the announcement from the Treasury that not only are they concerned with currency in a physical sense but that they are equally concerned with currency in the sense of bank-credit money, which represents 15 times as important a medium of exchange as actual physical currency itself. The refusal of the Treasury and the Federal Reserve Board to sanction the so-called "Michigan plan" resulted in a rather bitter statement from the able Governor of my Commonwealth. I quote just one sentence from it:

They have no program and they will not let us put ours into effect.

Mr. President, that is a rather shocking indictment. I submit it not in literal terms but as an indication of the reaction in respect to the orders and the ultimatums that are being handed down under this banking formula at the Capitol. The Governor of Michigan even goes so far as to add that, in his view, he may find it necessary, if the institutions within his purview can have no cooperation whatever from high authority, to request them all to withdraw from the Federal Reserve System.

Some of our statesmen have thought they saw in the present depressionary movement an opportunity to encourage unified banking, an opportunity to drive State banks out of existence, to drive all institutions into a unified system under the national aegis, but I submit that in the light of the experience which some of us are having the tendency is not in that direction. On the contrary, I regret to report, the creation of a feeling that after all the midcontinent

cannot trust its banking decisions to national authority at the National Capital, just as it long ago learned that it cannot trust its banking destinies to Wall Street and New York.

Last night's newspapers again indicated—and I am quoting—

A general plan to be used for the possible reopening of closed banks will be considered at an important meeting tonight by representatives of the Reconstruction Finance Corporation, the Federal Reserve System, and the Treasury Department.

Mr. President, there is a field of hope of relief. This whole proposition turns on a state of mind. It turns on an executive attitude; it turns on a policy of the administration. The letter killeth; it is the spirit that giveth life.

The New York Herald Tribune of April 19 in its headline says:

Woodin to offer billions in closed banks.

That is the thing I am praying for, but it takes something more than headlines to do it. We have lived on headlines for 60 sad days. The New York Times of the same date says:

Roosevelt to halt all gold exports.

And I cordially agree that that was essential and advisable. To that extent I follow the President. I emphatically agree that the American dollar should now be left to its own external fate in international exchange. That is a form of inflation which is useful and which I applaud, even though I do not go along with the balance of a program which may too easily produce uncontrolled inflation. But let me continue the headlines—

Plans for liberal reserve credit.

But we have got to do more than planning, Mr. President; we have got to have a reasonably sympathetic administrative attitude in the Federal Reserve and in the district banks and in the Treasury Department respecting the things that Congress is undertaking to do by way of credit expansion in behalf of these institutions. Congress can only provide the tools; Congress cannot force their use.

You can lead a horse to water but you cannot make him drink. Here is proof that the horse has declined to drink. Here is another Associated Press dispatch of April 19:

Approximately \$2,000,000,000 of new currency are available under the recently enacted banking law. The banks have called for only \$31,652,000 up to April 15. Only five Federal Reserve districts have used any of this new currency—New York, Philadelphia, Boston, Cleveland, and St. Louis.

Mr. President, I respectfully suggest that the wrong verb was used in the dispatch. The dispatch says that the banks had called for only \$30,000,000. I know better. I assert that \$30,000,000 was all that was issued. The call—or the need to call—was something else. It does no good to call into a deaf ear, and there are none so deaf as those who decline to hear. It is that phase of the problem that challenges my profound concern and it is that phase which makes me welcome this subsequent announcement within the last 24 hours both from the Treasury and from the Federal Reserve headquarters that a new spirit of cooperation and composition is to exist in respect to dealing with these closed banks up and down the Nation. Let us pray that they will not keep the word of promise to the ear and again break it to the hope.

It is not anybody's desire to reopen insolvent banks; but I submit, Mr. President, that we have been proceeding since the first week in March on a philosophy of action which not only demands the summary solvency of institutions at the moment but equally the summary liquidity of institutions at the moment; and I again submit, as I have repeatedly before on the floor of the Senate, that summary liquidity represents a massacre of the depositors and their deposits in this country. Summary liquidation at today's values means that the depositor has ceased to be a depositor in these days of good promise. Under such auspices the depositor is cleaned out when there is a subsequent chance to share in the recuperation of values that are contemplated

under the balance of the "new deal." I want to keep him and his deposit and his bank alive for the resurrection.

Currency in its physical sense is important, and that is the particular thing to which the Senate is now almost exclusively addressing itself. But credit money, meaning the normal functioning of normal banks, is infinitely more important. Indeed, I repeat, it is at least 15 times as important. In some instances it is a hundred times more important.

Talk about contraction in our physical currency. What about the contraction in our bank-credit currency? Talk about inflated currency. How about deflated banks? Listen to this:

In 1929 the total clearings of the clearing houses of the United States for the year were \$713,000,000,000. Compare that with the supply of currency: \$713,000,000,000 of credit money exchanged hands in a year when there was not over \$6,000,000,000 of actual physical currency in existence. That indicates something of the relative importance of the two propositions. But that is not all. Let us see what happened to this bank-credit currency in 1931. It had gone down from \$713,000,000,000 of clearing-house exchanges to \$463,000,000,000. It was nearly cut in two. It went down still more in 1932. The figures are utterly eloquent. They move me to lay before the Senate my plea that no matter how much emphasis we may put upon physical currency it is important in this equation that fundamentally and primarily the first emphasis belongs upon bank-credit currency and the normal functioning of banks. Otherwise we are off on a reckless detour.

We cannot have this normal banking function without confidence in banks, and we cannot have adequate confidence in banks recaptured, Mr. President, in the face of the experience which the depositors of the United States have suffered in the last few months; we cannot recapture that confidence until we put the warrant of the Federal Government, on a legitimate and self-liquidating basis, behind the deposits in the acknowledged banks of the United States.

I am not talking about a guaranty which is a drain upon the Treasury. I am talking, as I always have, about an insurance which is self-sustained and self-supported and which will say to the depositors of this Nation, "You are just as safe in the regular banking structure of the land as you are in the Postal Savings bank." Until they are thus safe, Mr. President, we shall not renew the normal banking functions, and until we do renew the normal banking functions and renew the normal flow of bank-check credits and the normal flow of bank-credit money, everything else that we do will be secondary and relatively impotent. We want all our solvent banks open. We want all of them sure to stay open. We want a rule of reason in respect to solvency; and then we want a warrant which entitles the depositor to that complete and absolute confidence which is prerequisite either to a happy people or to social and economic justice.

Therefore, I am saying in conclusion, that whatever emphasis belongs upon the question of physical currency, there is a primary emphasis which has not yet been appropriately put upon this other medium of exchange and the institutions upon which it depends. I say again that the conferences down yonder in the Treasury and in the Federal Reserve System, which are dealing with physical currency, are secondary in their final advantage to the American people, secondary to those other conferences which are undertaking to liberalize the viewpoint and the attitude of the Treasury and the Federal Reserve System toward the closed banks and the impounded bank deposits of the American people.

Mr. LONG. Mr. President, will the Senator from Michigan yield to me for a question?

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Louisiana?

Mr. VANDENBERG. I yield the floor; I am through.

Mr. LONG. I want to ask the Senator from Michigan a question.

Mr. VANDENBERG. I shall be glad to yield to the Senator for that purpose.

Mr. LONG. From what I have heard of the Senator's address I am led to believe that he entertains more or less the same view that I have expressed here on the floor that we need a more liberal Federal Reserve Board.

Mr. VANDENBERG. I cordially agree with the Senator.

Mr. FLETCHER. I suggest the absence of a quorum.

Mr. SHIPSTEAD. Mr. President—

Mr. FLETCHER. I thought the Senator wanted to get action on his amendment. That is what I desire to do.

Mr. LONG. Let us vote.

Mr. FLETCHER. If the Senator desires to speak, I withhold my suggestion.

Mr. SHIPSTEAD. Just for a moment apropos of the remark that was made about the need of a more liberal Federal Reserve Board. I would amend that by taking out the word "liberal" and inserting the word "intelligent."

Mr. FLETCHER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Keyes	Reynolds
Ashurst	Couzens	King	Robinson, Ark.
Austin	Cutting	La Follette	Robinson, Ind.
Bachman	Dickinson	Lewis	Russell
Bailey	Dieterich	Logan	Schall
Bankhead	Dill	Loneragan	Sheppard
Barbour	Duffy	Long	Shipstead
Barkley	Erickson	McAdoo	Smith
Black	Fletcher	McCarran	Steiner
Bone	Frazier	McGill	Stephens
Borah	George	McKellar	Thomas, Okla.
Brown	Glass	McNary	Thomas, Utah
Bulkley	Goldsborough	Metcalf	Townsend
Bulow	Gore	Murphy	Trammell
Byrd	Hale	Neely	Tydings
Byrnes	Harrison	Norbeck	Vandenberg
Capper	Hastings	Norris	Van Nuys
Caraway	Hatfield	Nye	Wagner
Carey	Hayden	Overton	Walcott
Clark	Hebert	Patterson	Walsh
Connally	Johnson	Pittman	Wheeler
Coolidge	Kean	Pope	White
Copeland	Kendrick	Reed	

The PRESIDING OFFICER. Ninety-one Senators having answered to their names, a quorum is present. The question is on the amendment of the Senator from Minnesota [Mr. SHIPSTEAD] to the amendment of the Senator from New York [Mr. WAGNER].

Mr. FLETCHER. Mr. President, regarding the amendment, I wish to submit very briefly some views about it, views which are concurred in, I may say, by the Farm Loan Bureau. This is the position they take about it.

The Senate has under consideration an amendment to section 29 (a) of the amendment proposed by Senator WAGNER to bill H.R. 3835 with reference to agricultural credits. In this connection attention is called to an amendment to section 29 (a) which was adopted by the Committee on Agriculture of the House when the Emergency Farm Mortgage Act of 1933 was being considered. This amendment read as follows:

Such loans shall be made upon application therefor by such banks and upon compliance with the requirements of this section. Such loans shall be made to aid the orderly liquidation of any such bank in accordance with such plan as may be approved by the Farm Loan Commissioner. Before any such plan is approved by the Commissioner he shall be satisfied that the plan carries out the purposes of this section and that such part of the proceeds of the loan as is devoted to settlements with bondholders will be used only to effect an equitable settlement with all bondholders. After the plan has been approved by the Commissioner he shall require the bank to mail a copy thereof to all its known bondholders and to publish a notice setting forth its provisions in at least three newspapers having general circulation.

It is believed that this amendment will tend to safeguard the making of loans by the Farm Loan Commissioner to joint-stock land banks and should be adopted. If the language above referred to is added as an amendment, it should be inserted after the words "the requirements of this section", on page 12, line 7, of the amendment proposed by the Senator from New York [Mr. WAGNER].

In a moment I shall offer that amendment, and I think there will be no objection to it. It facilitates the clearing

up of the whole matter. It was thoroughly considered in the House and is not inconsistent with other provisions in the amendment offered by the Senator from New York. I shall offer the amendment after we dispose of the pending amendment.

An amendment to the same section has been proposed by Senator SHIPSTEAD. This amendment provides in part that before any loan to a joint-stock land bank is made by the Farm Loan Commissioner—

(1) That such bank will pay, in purchasing its own outstanding farm-loan bonds paid for out of the proceeds of the loan, an amount not to exceed 110 percent of the amount which such holders may have paid for their bonds prior to April 17, 1933, but in no event to exceed the face value of such bonds, together with the accrued and unpaid interest thereon; and (2) that whenever any such bonds are so purchased by such bank at a price less than the amount of the face value of such bonds, together with accrued and unpaid interest thereon, the difference between such face value and interest and the amount paid for such bonds by the bank shall be credited pro rata to the borrowers from such bank in reduction on their loans outstanding at the time of such purchase.

The purpose of the first condition is obviously intended to prevent speculators from making a profit on the joint-stock land bank bonds which they may have purchased prior to the adoption of the proposed legislation. It will be exceedingly difficult to ascertain the exact amount paid for these bonds. However, if it is desired to adopt an amendment of this character, it would be preferable to provide that the holders of the bonds of any bank should not receive more than 110 percent of the average bid price of the bonds of such bank over a period of 6 months prior to March 1, 1933.

With reference to the second condition which would require the banks to pass on to their farmer borrowers any paper profit that might be realized from the purchase and retirement of their bonds, it seems clear that if this provision is adopted, it will defeat the whole purpose of the section. The provisions with respect to making loans to joint-stock land banks were incorporated in the proposed bill for the purpose of aiding in their orderly liquidation. The proposal contemplates that the joint-stock land banks will purchase and retire half of their outstanding bonds. After the retirement of bonds in the case of many of the banks their statements would show that the transaction had resulted in a substantial profit. As a matter of fact, however, this apparent or paper profit may never be available to the banks. In many instances it may be entirely wiped out by the losses which will be sustained during the period of liquidation. It will not be possible, therefore, to determine the exact amount of profit, if any, that the banks may make until they have been finally liquidated. If the banks are required to give their respective borrowers the benefit of the apparent profit which would be shown in their statements following the retirement of their bonds, none of the banks would be able to accept loans from the Farm Loan Commissioner.

The question of the disposition to be made of joint-stock land banks is an important one, and it is felt that no plan for refinancing farm-mortgage indebtedness would be complete unless provision is made for the orderly liquidation of these institutions. As the matter now stands, it is an important link in the whole scheme of refinancing. The proposal has received the approval of the administration, the banks, and the farm organizations. If it is made inoperative through the adoption of the proposed amendment, it is inevitable that a great percentage of the joint-stock land banks will be forced into receivership.

The total resources of the joint-stock land banks amount to approximately \$430,000,000. If these institutions are forced into receivership, it will undoubtedly have a very deleterious effect upon the whole farm-mortgage situation. Receiverships will work hardships upon the borrowers, cause greater losses to the security holders, and would unquestionably have a bad effect upon the market for the new bonds which are to be issued under the other provisions of the same bill. In short, the adoption of the amendment pro-

posed by the Senator from Minnesota would make the plan absolutely unworkable.

That is the principal objection to the amendment. The plan has been agreed upon by the Federal land-bank people, the joint-stock land bank people, the Farm Loan Board, and the farm-loan associations, or practically all of them, so far as I know. To modify that plan, according to the Senator's amendment, would practically destroy the workability of the plan and defeat its purpose. Therefore, I hope the amendment of the Senator from Minnesota will be defeated.

Mr. SHIPSTEAD. Mr. President—

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Minnesota?

Mr. FLETCHER. I yield.

Mr. SHIPSTEAD. I am not sure that I understood one of the statements made by the Senator. He said the amendment would prevent the making of any profits in the retirement of the bonds. He also said the amendment would destroy the purpose of the bill. The Senator did not mean to leave the impression that the purpose of the bill is to make a profit, did he?

Mr. FLETCHER. No. The purpose of the bill is to effect a liquidation of the banks, and the Senator's amendment would not do it. It would throw them into receivership. Orderly liquidation is one thing and receivership is another thing. Receivership would result in inevitable loss, whereas they believe if they can get the accommodation under the plan they have suggested, many of the banks will be able to go on and finally work themselves out. Whatever benefit they can get in the operation of the plan by settlement with the bondholders inures to the Farm Bureau. The plan is possible from every standpoint.

Mr. CAREY. Mr. President, will the Senator yield?

Mr. FLETCHER. I yield to the Senator from Wyoming.

Mr. CAREY. Is it not true that the only way in which these banks can be liquidated, and the only way in which the borrower can be taken care of, is by permitting the banks to purchase a part of their bonds at a discount?

Mr. FLETCHER. That is true; and the benefit to the banks in that way proceeds to the farmer.

Mr. CAREY. It goes on to the farmer, and an amendment such as the Senator from Minnesota proposes will make impossible the liquidation of the joint-stock bank, and, by making that impossible, will make it impossible to help the borrowers from that bank.

Mr. FLETCHER. Precisely.

Mr. CAREY. It will force the bank into a receivership, and the borrower will be forced to pay the full amount of his mortgage, if it is possible to collect it, and also to pay a high rate of interest.

Mr. FLETCHER. That is true. He will have to pay it, or else he will be foreclosed and lose everything.

Mr. NORRIS. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Nebraska?

Mr. FLETCHER. I yield.

Mr. NORRIS. I do not for a moment question the sincerity of the Senator; but I confess that I cannot understand why the amendment of the Senator from Minnesota, if enacted, would have the effect which the Senator says it will have.

The object of the amendment is to pass on to the borrower any benefit that may come. The Senator says that is going to happen without the amendment. That is disputed, as I understand, by the Senator from Minnesota.

Mr. FLETCHER. This amendment requires that the exact amount paid for these bonds shall be ascertained in each case. The idea was, of course, that the people who own bonds, thinking the Government is going to loan money on them or otherwise take them up, will put up their price right away, and that the bonds could not be gotten in that way. The price is to be determined not by an average over a period of 6 months. The limit in this amendment is that the holder shall receive not more than 110 percent of the

average bid price of the bonds at the time, whereas it ought to be, if adopted at all, the average bid price over a period of 6 months.

Mr. NORRIS. The object is, as I understand, to give to the man who has invested his money in these bonds 10 percent profit.

Mr. FLETCHER. How will it be ascertained what a man paid for his bonds?

Mr. NORRIS. He would have to show that. It seems to me that would not be difficult to ascertain. He would have to show what he paid in order to get anything.

Mr. FLETCHER. I doubt very much if the holders of these bonds will be found willing to give that information.

Mr. NORRIS. Then they could not sell their bonds.

Mr. FLETCHER. There is no way of getting at it.

Mr. NORRIS. They cannot get anything if they do not show that.

Mr. CAREY. Mr. President, will the Senator from Florida yield?

Mr. FLETCHER. I yield.

Mr. CAREY. There is another point in connection with these bonds. Assuming that the bank offered to buy certain bonds, say, at 70, and some other bondholder objected to the bank paying that price, he has an equal share in the assets of the bank. Each bondholder has the same share; and the bondholder could object to anything of this kind.

Mr. NORRIS. If the Senator from Florida will permit me, I do not understand how one bondholder could prevent some other bondholder from selling his bonds at any price he wanted to.

Mr. CAREY. Under this arrangement, they can pay 10 points more for the bonds than the man purchased them for.

Mr. NORRIS. Yes.

Mr. CAREY. Assuming that one man paid 40 for his bonds, and another man paid 50, could not the man who had paid 40 object to the bank paying the other bondholder 50?

Mr. NORRIS. I do not understand how he could.

Mr. CAREY. I think he would have a right to demand as much for his bond as the other bondholder.

Mr. NORRIS. In the first place, he does not need to sell his bond at any price if he does not want to; and I do not understand how one bondholder could object to another bondholder's getting more or getting less.

Mr. CAREY. The assets of the bank are being paid out at higher prices than they will pay him for his bond.

Mr. NORRIS. Yes; probably they would not pay every man the same. They would not pay, however, more than 10 percent in advance of what the bond cost him. The original holder of the bond is out, as I understand. He has sold his bond. He probably paid 100, or nearly that, for his bond; but he sold it to somebody else. The amendment of the Senator from Minnesota, as I understand, provides that in purchasing bonds that man could not be paid more than 10 percent in advance of what he paid.

Suppose he does not want to take it. He does not need to. He does not need to sell at par if he does not want to. He can take his chances on whatever may happen. I take it, however, knowing that these banks are going to be liquidated, that he would jump at the opportunity of getting a profit of 10 percent.

Mr. CAREY. Unless he desired to hold the bonds.

Mr. NORRIS. He would not hold these bonds as an investment, because the banks are going to be liquidated. They are going out of business.

Mr. CAREY. He would have this advantage: If a part of the bondholders should sell their bonds, say, for 50 percent of what they were worth, it would raise the value of the balance of the bonds to somebody else by reducing the liabilities of the banks that much. If the bank could borrow \$50,000, and with that sum retire \$100,000 of bonds, the rest of the bonds would be worth more money.

Mr. NORRIS. Yes.

Mr. SHIPSTEAD. Mr. President, I desire to restate some of the things I said about this amendment last night, because so many Senators were not here at that time.

The purpose of this part of the bill is to make possible the orderly liquidation of joint-stock land banks. For the purpose of accomplishing that object we furnish \$100,000,000 of Government money; and in furnishing that money I believe we have a right to, and I think we should, put such restrictions upon the expenditure of the money that, so far as we can bring it about, justice shall be done to the bondholder, to the stockholder of the joint-stock land bank, and to the borrower.

There are three parties here whose welfare and property rights will be affected by the use of this money. If this were an entirely private corporation—as, of course, it is—using its own money, I would not suggest any interference with its own process of liquidation. But because in this case its orderly liquidation is made possible only through the use of public money, I believe we should put such restrictions upon the process of liquidation as to see that justice is done to all three parties concerned.

What is it to liquidate any business? It is to dispose of its assets for what can be obtained for them, and to pay the liabilities.

What are the liabilities of the joint-stock banks?

They have about \$430,000,000 in bonds outstanding that were sold to investors. That is the amount of their liabilities—\$430,000,000. Their assets are composed of \$460,000,000 of farm mortgages held against liabilities. What are the bonds worth upon the market? Some time ago, when I made inquiry from a reliable source, I discovered that the average value of the bonds on the market was less than 40 cents on the dollar. I was told that the market price had gone up about \$10 on an average within a very short time.

If with this money, \$100,000,000, furnished by Congress, the joint-stock land banks can go out and buy the bonds, their own liabilities, at a great discount—for instance, 40 cents on the dollar—they can buy, for \$100,000,000, \$250,000,000 of their liabilities and liquidate them for \$100,000,000.

There is a difference here between what they owe and the price for which they can purchase back their bonds of \$150,000,000. If they retire \$250,000,000 of the liabilities with \$100,000,000, that leaves the difference between \$430,000,000 and \$250,000,000 as outstanding liabilities. That leaves a liability of \$180,000,000. Against this \$180,000,000 they have \$460,000,000 in the form of assets, leaving \$280,000,000 in assets with which to liquidate \$180,000,000 of liabilities.

I understand that 50 percent of these \$460,000,000 of mortgages are not in default; and 50 percent of \$460,000,000 makes \$230,000,000 of assets that are not in default.

We protect the bondholder in this respect: We give him back his money. There was merit in what the Senator from Arkansas [Mr. ROBINSON] said last night, that it was not fair to give a man who had held a bond for 10 years, possibly without drawing any interest, proportionately as much—that is, to give him his money invested, plus 10 percent—as it would be given the money invested, plus 10 percent, to a man who had held his bond only for 2 weeks. There is merit in that; and I am perfectly willing to pay 10 percent on top of what he has paid for his bond, plus a reasonable amount of interest during the time he has held the bond, less whatever dividends he has received.

We protect the bondholder in that respect; and I think he ought to be protected, because unless we protect him and turn over to the joint-stock land banks \$100,000,000, they will have a monopoly in the purchase of these bonds, and they can freeze out the bondholders unless they are put in the hands of a receiver. They can bid so low that he cannot get his money back. Of course, he has the alternative of asking for a receivership.

Mr. CAREY. Mr. President, will the Senator yield?

Mr. SHIPSTEAD. Yes.

Mr. CAREY. Why does the Senator say that the land banks will have a monopoly? People will buy the bonds as they are buying them now. They will have the same backing, the same security back of them. They will be sold in the market as well as to the banks, I think.

Mr. SHIPSTEAD. I anticipate that people will not buy liabilities from an institution that is going to be liquidated, because, if it is to be liquidated, all of its bonds will have to go on the market.

Mr. CAREY. If the banks are purchasing a certain proportion of these bonds at a discount, would there not be reason for people holding them and speculating in them?

Mr. SHIPSTEAD. I have an idea that with this amendment there would not be any reason for speculating in those bonds. I do not think a speculative profit should be made out of a transaction to which the Government furnishes the money for the purpose of liquidation.

Mr. CAREY. But there are other people involved. The man who bought the bond may have paid a hundred dollars for it. He should be able to hold the bond and get \$100.

Mr. SHIPSTEAD. Under this amendment he could get his \$100.

Mr. CAREY. If the bank should pay it.

Mr. SHIPSTEAD. Under this amendment it is provided they shall pay 110 percent of the purchase price, except that they must not pay above par.

Mr. CAREY. Suppose they had to pay 110 percent. They might not have the money to pay that much for them.

Mr. SHIPSTEAD. That limitation is applied to the \$100 that is loaned.

Mr. CAREY. They can buy that amount of bonds?

Mr. SHIPSTEAD. Yes; at the present value.

Mr. CAREY. That would not help the bank to liquidate. They might just as well have their bonds out at par as to pay 110 to retire them. The bank would not be any nearer liquidation than before they borrowed the money.

Mr. SHIPSTEAD. They would save \$150,000,000 at the average market price of today. They would retire \$250,000,000 of bonds with \$100,000,000 investment.

Mr. CAREY. I think the Senator overlooks the fact that the bonds of the different banks have very different values.

Mr. SHIPSTEAD. I know that.

Mr. CAREY. I do not think we can take the average value of the bonds. Some of the banks are in fair shape and some are almost insolvent.

Mr. SHIPSTEAD. That is true. They will all become insolvent unless they get this \$100,000,000, in my opinion.

Mr. TRAMMELL. Mr. President, will the Senator yield?

Mr. SHIPSTEAD. I yield.

Mr. TRAMMELL. As I understand the purpose of the amendment, it is that a purchaser of a bond may receive back his bond, with 10 percent additional.

Mr. SHIPSTEAD. Yes.

Mr. TRAMMELL. If that is true, why, then, interfere with the legitimate investor at an honest price getting back his hundred dollars, if it costs him that? As I understand what the Senator proposes, he is willing to give a hundred dollars to the man who paid the hundred dollars, but he does not propose to set up a speculating scheme whereby he can buy a bond at \$10 and go out and get a hundred for it?

Mr. SHIPSTEAD. That is correct.

Mr. TRAMMELL. And carry on that speculative operation with Government funds?

Mr. SHIPSTEAD. Yes.

Mr. TRAMMELL. Is that the purpose of the amendment?

Mr. SHIPSTEAD. That is one purpose which I hope to accomplish. The banks buying \$250,000,000 of bonds for \$100,000,000 save \$150,000,000. They reduce their liabilities by that much. They have that much less to pay. A bank and the stockholders lose nothing if through this process of borrowing money from the Government they are able to retire their liabilities, and whatever profits they make in the purchase of their own liabilities they pass on to the benefit of the borrower.

If one buys a thousand dollar bond for \$400, and against that as an asset has a mortgage of a thousand dollars, in a private business transaction, and can buy his own note back for \$400, a note floated against the mortgage for a thousand dollars, and can collect that thousand dollars on the mortgage, he makes the difference between what he paid for the note and what he was able to collect on the mortgage. That is a private business transaction, and we would not interfere with that. But this is public business with public funds in order not to undo the work that was done when we created the joint-stock land bank system, to make it possible to give them a chance to liquidate in an orderly manner, to give as much of what is left to the bondholders, to protect the stockholder, and to give the benefits, whatever benefits may accrue, to the borrower, I think we have the right to put these restrictions on the use of this money.

Are we going to lend money to a private institution to retire its liabilities for 40 cents on the dollar, and then permit it to collect the mortgages in full, so far as they can, when they have 50 percent of the mortgages not in default? It seems to me that if we want to help the farmers and the bondholders, and also protect the stockholder, we have a chance to do it.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. SHIPSTEAD. I yield.

Mr. NORRIS. Is it a fair statement to say that the Senator from Minnesota is trying, in his amendment, to give the benefit to the borrower, the mortgagor, of all savings made by the use of this public money?

Mr. SHIPSTEAD. Yes.

Mr. NORRIS. Is this true, that either the stockholder of the joint-stock land bank, or the farmer, one or the other, is going to get the benefit of the public funds, the hundred million dollars appropriated in this bill?

If the Senator's amendment were not agreed to, would it be accurate to say that this benefit would go to the stockholder rather than to the mortgagor?

Mr. SHIPSTEAD. If this amendment is not agreed to, there are two possible beneficiaries. Either the bondholder may make it impossible to purchase the bonds for less than par, by holding them off the market, and compel the joint-stock land bank to keep bidding for the bonds in order to carry out the purpose of the bill; if that is the case, many of the people who have bought these bonds for very low percentage on their face value would have an immense profit. The joint-stock land banks, in my opinion, are the only ones who would buy the bonds, because, it seems to me, no one would come out and buy bonds from an institution which the Government by law had said it was going to liquidate.

Mr. NORRIS. If the Senator's amendment is agreed to, would it not follow that speculators would at once buy these bonds, on the theory that they were going to get a hundred cents on the dollar out of this public money?

Mr. SHIPSTEAD. There is that possibility. On the other hand, there is also this possibility, that the stockholders of the joint-stock land banks, in order to make money on the transaction, would want to buy the bonds as cheaply as they could, because they were retiring their liabilities. Many people in business would like to buy their bonds or their notes back for 30 or 40 cents on the dollar. They would have to pay that much less. But they want to collect what they have coming from the other fellow in full, or as nearly in full as possible.

If the joint-stock land banks can save a hundred or two hundred million dollars on their bonds by the use of this Government money, they do not lose a dollar of money invested for the bondholder; he gets his money back. If to the borrower the remainder is prorated as credit on his mortgage, I fail to see how there can be any injury to anyone, but it would be of benefit to three parties—to the borrower, who gets the benefit of total savings; to the stockholder, who gets his bank liquidated; and to the bondholder, who receives the money back that he gets on the bonds.

Mr. FLETCHER. Mr. President, the amendment provides—that whenever any such bonds are so purchased by such bank at a price less than the amount of the face value of such bonds, together with accrued and unpaid interest thereon, the difference between such face value and interest and the amount paid for such bonds by the bank shall be credited.

It is impossible for them to ascertain what the profit is. They may have made a profit. The end is not yet. They have simply started. They may not, in the final analysis, realize even as much as they paid, but the Senator would force them by this amendment immediately to give credit to the borrower. A bank would not be willing to borrow under such circumstances. I do not think the banks would apply to the Farm Loan Commissioner for loans if they had at once to give credit to the borrower for the difference between the full face value and interest on the mortgage and what they paid for it. I think the Senator would destroy the workability of the plan. They could not make the settlement.

Mr. SHIPSTEAD. It seems to me that if the banks want to liquidate their liabilities, they would be glad of an opportunity to do so. When they retire a bond, whatever they paid for it they have reduced that much of the liability, and they have received credit. The minute they buy that bond, at whatever price they pay below par, they receive credit. If they paid \$30—30 cents on the dollar—then already they have a credit of \$100 and they have made \$70. Why not at the same time extend that credit to the borrower, as something already received?

Mr. CAREY. Mr. President, will the Senator yield?

Mr. SHIPSTEAD. I yield.

Mr. CAREY. I think that in this discussion the Senator from Minnesota overlooks one thing; that is, the fact that we are only lending under this proposed law to the joint-stock land banks \$150,000,000, while the total amount of their mortgages or bonds is some \$400,000,000.

Mr. SHIPSTEAD. Four hundred and sixty million dollars.

Mr. CAREY. So that they have under this bill a very small proportion of their bonds or their liabilities on which to work. The proposed law provides that there will be a reduction in interest on all loans to 5 percent. That means that the joint-stock land banks will have to make up for the difference in interest on the proportion of their loans that are not sold to the Reconstruction Finance Corporation under this proposed law. So they have to have some extra money to take care of that. They also agree that they will not foreclose on loans during a period of 2 years. That means that for a period of 2 years the banks have to pay interest on their outstanding bonds, while they may not be collecting interest from the borrowers. Therefore, I think, to say that the bank is not doing anything for the borrower is hardly fair, because the bank is giving something in return for the money it is borrowing, and, further, it is borrowing but a small percentage on the basis of loans outstanding.

Mr. TRAMMELL. Mr. President, the difference is not paid by the banks; it is paid by the Government. The Government provides an appropriation of \$15,000,000 to take up the slack or the difference in the interest. It is paid by the Government.

Mr. CAREY. That is only in case of the bonds which the Government is issuing for the benefit of the Federal land banks. It does not apply, as I understand, to the loans made by the joint-stock land banks.

Mr. TRAMMELL. The farm-loan banks.

Mr. CAREY. The farm-loan banks, but not the joint-stock land banks.

Mr. TRAMMELL. They are so knit together that it is difficult to make the distinction.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Minnesota.

Mr. ROBINSON of Arkansas. Mr. President, yesterday I submitted some remarks on this amendment and took the position that the effect of the amendment would be to involve practically all the joint-stock land banks in receivership. A further investigation of the subject confirms me in that conclusion. The object of this amendment is in conflict, as stated by the Senator from Florida and by the

Senator from Wyoming, with the primary purposes of the bill as worked out after a prolonged study of the subject by the Farm Loan Bureau and the Banking and Currency Committee, in that it will render inoperative title II insofar as it provides for loans to joint-stock land banks to bring about orderly liquidation.

The chief purpose of the bill is relief to the farmer; first, by raising the price of the crops he produces; second, by scaling down and easing his mortgage indebtedness; and, third, by extensions. The mortgage section of this bill as set out in the Wagner amendment is the result of months of consideration and study. The object is to scale down loans so far as possible, reduce interest rates, and prevent foreclosures during the period of adjustment of farm mortgage prices.

The joint-stock land bank problem was considered on the basis of the necessity of liquidating these banks in a manner that would do the least harm to the farmer and prevent the continuation of the drastic liquidation of these banks during the past few years, which resulted in numerous foreclosures and widespread taking over of farms by these banks.

The loans of the joint-stock land banks approximate \$450,000,000. Receivership of these banks would involve the throwing on the market of nearly half a billion of joint-stock land bank assets, cause untold chaos, and demoralize present farm values. They are bad enough now. After long and detailed consideration of the problem title II of the pending bill was agreed to by the Banking and Currency Committee and by the Farm Loan Commissioner as the most advisable manner of liquidating these banks in such a way that the farmer will receive, first, a reduction in the rate of interest on his loan; second, a scaling down of his farm mortgage in the discounting of the loans of the joint-stock land bank to the Federal land banks; and third, the prevention of foreclosures during the period of liquidation.

It has been said here that the loaning of money under this section to the joint-stock land banks would enable them to retire all their bonds at 40 cents on the dollar, thus netting them a profit of the balance. There is not the remotest possibility of the situation working out in that manner. It is true that the bonds of these banks have a nominal quotation of from 30 to 75 cents on the dollar, depending on the strength of the particular bank, but to buy a considerable quantity of the bonds of any bank whose bonds are quoted at such figures would probably result in an increase in the quoted price. The quoted price of the joint-stock land bank bonds does not in any sense reflect the price at which any substantial amount of them can actually be purchased. At the present time there is no strong demand for these bonds. Hence they are offered at a greatly deflated price.

The purchase of any material part of the bonds of any bank would have to be at a higher figure than the nominal quotations now made or the bondholder would not accept the offer.

It is not proposed in title II that the funds to be loaned under this section will in any case be sufficient to retire the greater part of the bonds. The Farm Loan Commissioner will loan to such joint-stock land banks as can furnish proper collateral to secure the loan an amount agreed to by the Commissioner. With that amount the bank will make a public offer to the bondholders of the bank for retirement of part but not all the bonds of the bank held by each bondholder.

As a practical example of how this legislation will work, take a bank with \$10,000,000 of 6-percent mortgages and \$10,000,000 of 5-percent bonds. Under title II this bank would be entitled to borrow about \$2,500,000 from the Farm Loan Commissioner, subject to his approval and subject to being able to furnish satisfactory collateral. An offer would then be publicly made to all bondholders of that bank to pay them approximately 50 cents on the dollar for half of their bonds. If the bondholders accept, a total of \$5,000,000 of the \$10,000,000 of bonds will be purchased with the \$2,500,000, and the bank would then have \$5,000,000 of

bonds outstanding at 5 percent interest rate and would owe \$2,500,000 to the Farm Loan Commissioner, although on the \$10,000,000 of mortgages still owned by the bank the interest rate would be reduced to 5 percent for the life of the loan, whether 20 years or 30 years.

When, Mr. President, you take into consideration that the reduction is 1 percent per annum you can readily see that there is no possibility of these banks remaining out of receivership when there is no excess possible to be earned above the amount required in the liquidation of their own obligations.

The object of this bill is to aid the farmer by scaling down both his interest and his mortgage, and by granting him extensions. If the loans are to be subject to the conditions of this amendment they will not be made at all, and the banks will pass into receivership, throwing immediately on the market \$500,000,000 worth of joint-stock land bank assets.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Minnesota [Mr. SHIPSTEAD] to the amendment of the Senator from New York [Mr. WAGNER].

Mr. BLACK. Mr. President, I desire to ask the Senator from Minnesota a question. It seems to me that either the Senator is incorrect, with reference to his amendment, or that he has made a mistake in the mechanics of the amendment. The amendment of the Senator, for instance, provides—

Before any joint-stock land bank shall receive a loan as provided for in this section such bank shall enter into an agreement with the Farm Loan Commissioner (1) that such bank will pay, in purchasing its own outstanding farm-loan bonds paid for out of the proceeds of the loan, an amount not to exceed 110 percent of the amount which such holders may have paid for their bonds prior to April 17, 1933.

Under the Senator's amendment one man might have bought bonds 4 years ago or 5 years ago and he could sell his bonds for 110 percent of the amount that he paid for them, and the same thing would be true of a man who had bought his bonds a week ago. It seems to me that the Senator should rectify that condition in his amendment. I would suggest, if he thinks that is correct, that he strike out the words "110 percent" and add after the figures "1933" language such as this: "together with 6 percent interest per annum since the date of purchase."

Such an amendment would fit all instances of purchases, either 6 percent or 4 percent or 8 percent or whatever the Senator wants to place it at; but it is certainly a legitimate objection to his amendment in its present form that a man who had held a bond for a week would get 10 percent profit and a man who had held a bond for 4 years would get 10 percent profit.

Mr. SHIPSTEAD. Mr. President, there is merit in what the Senator says, and I called attention earlier in my remarks to the objection on that point made by the Senator from Arkansas [Mr. ROBINSON]. The Senator from Alabama [Mr. BANKHEAD] also mentioned it to me. As a result, I have here a proposed modification which I will read and ask the Senator if it meets his approval. I have prepared an amendment that limits the payment of principal to 100 percent of the amount which such holders may have paid for their bonds prior to April 17, 1933, "plus interest on such amount at the rate of 5 percent per annum from the date of the purchase of such bonds by such holders, less the amount of any interest received by them on such bonds."

Mr. BLACK. Has the Senator already offered an amendment of that kind?

Mr. SHIPSTEAD. I have not offered it. I have prepared it and am ready to offer it, and will offer it now.

The PRESIDING OFFICER. The amendment offered by the Senator from Minnesota, as modified, will be read by the clerk.

The LEGISLATIVE CLERK. On page 13, between lines 18 and 19, it is proposed to insert:

(c) Before any joint-stock land bank shall receive a loan as provided for in this section such bank shall enter into an agreement with the Farm Loan Commissioner (1) that such bank will pay, in purchasing its own outstanding farm-loan bonds paid for

out of the proceeds of the loan, an amount not to exceed 110 percent of the amount which such holders may have paid for their bonds prior to April 17, 1933, plus 10 percent and plus interest on such amount at the rate of 5 percent per annum from the date of the purchase of such bonds by such holders, less the amount of any interest received by them on such bonds, but in no event to exceed the face value of such bonds, together with the accrued and unpaid interest thereon; and (2) that whenever any such bonds are so purchased by such bank at a price less than the amount of the face value of such bonds, together with accrued and unpaid interest thereon, the difference between such face value and interest and the amount paid for such bonds by the bank shall be credited pro rata to the borrowers from such bank in reduction on their loans outstanding at the time of such purchase.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Minnesota, as modified, to the amendment of the Senator from New York [Mr. WAGNER].

Mr. BLACK. Mr. President, will the Senator yield for another question?

Mr. SHIPSTEAD. I yield.

Mr. BLACK. There is still a conflict in the Senator's amendment, I think, because the words "110 percent" are in the amendment as read.

Mr. SHIPSTEAD. The clerk failed to note that 110 percent has been changed to 100 percent.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Minnesota, as modified.

Mr. CAREY. Mr. President, I should like to ask the Senator from Minnesota a question.

Mr. SHIPSTEAD. I yield.

Mr. CAREY. I understand the amendment provides that the holder of a bond shall receive 5 percent per annum from the time that he has purchased the bond. Is that correct?

Mr. SHIPSTEAD. Less the amount of any interest received.

Mr. CAREY. Mr. President, I desire to offer an amendment in the nature of a substitute for the amendment of the Senator from Minnesota.

Mr. SHIPSTEAD. Does the Senator refer to the amendment, as modified, or to the original amendment?

Mr. CAREY. I wish to offer an amendment in the nature of a substitute for the original amendment.

Mr. SHIPSTEAD. Can we not act on the modification to the amendment first?

Mr. REED. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. REED. Has not the Senator from Minnesota authority to modify his own amendment without asking the consent of the Senate?

The PRESIDING OFFICER. The Chair is of that opinion, and the Chair had stated that the question was on the amendment, as modified.

Mr. SHIPSTEAD. Very well.

Mr. CAREY. I offer and ask the clerk to read an amendment in the nature of a substitute for the amendment offered by the Senator from Minnesota.

The PRESIDING OFFICER. The amendment in the nature of a substitute will be stated.

The LEGISLATIVE CLERK. On page 12, line 22, after the word "section", it is proposed to insert:

Such loans shall be made to aid the orderly liquidation of any such bank in accordance with such plan as may be approved by the farm-loan commissioner. Before any such plan is approved by the commissioner he shall be satisfied that the plan carries out the purposes of this section and that such part of the proceeds of the loan as is devoted to settlements with bondholders will be used only to effect an equitable settlement with all bondholders. After the plan has been approved by the commissioner he shall require the bank to mail a copy thereof to all its known bondholders and to publish a notice setting forth its provisions in at least three newspapers having general circulation.

Mr. AUSTIN. Mr. President, on what page and line does the amendment come in?

The PRESIDING OFFICER. The Chair is informed the amendment comes in on page 12, line 22, after the word "section."

Mr. AUSTIN. Mr. President, I wonder what print of the bill is referred to. In the original print, as used by the clerk,

there does not seem to be any such word at the point indicated.

Mr. CAREY. I think the amendment should come in on page 13, between lines 18 and 19.

Mr. President, I am not going to take any time discussing this amendment. The Senator from Florida stated that this amendment had been prepared by the farm-loan commissioner as a substitute for the amendment offered by the Senator from Minnesota. I think the amendment is plain. It provides that the liquidation of these banks shall be controlled by the Farm Loan Commissioner; that he shall have supervision, and that any plan of liquidation shall be approved by him. It also provides for equitable treatment of the bondholders of the banks. I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Wyoming [Mr. CAREY] in the nature of a substitute for the amendment offered by the Senator from Minnesota [Mr. SHIPSTEAD].

Mr. SHIPSTEAD. Mr. President, before the vote is taken I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Keyes	Reynolds
Ashurst	Couzens	King	Robinson, Ark.
Austin	Cutting	La Follette	Robinson, Ind.
Bachman	Dickinson	Lewis	Russell
Bailey	Dieterich	Logan	Schall
Bankhead	Dill	Lonergan	Sheppard
Barbour	Duffy	Long	Shipstead
Barkley	Erickson	McAdoo	Smith
Black	Fletcher	McCarran	Steiwer
Bone	Frazier	McGill	Stephens
Borah	George	McKellar	Thomas, Okla.
Brown	Glass	McNary	Thomas, Utah
Bulkley	Goldsbrough	Metcalf	Townsend
Bulow	Gore	Murphy	Trammell
Byrd	Hale	Neely	Tydings
Byrnes	Harrison	Norbeck	Vandenberg
Capper	Hastings	Norris	Van Nuys
Caraway	Hatfield	Nye	Wagner
Carey	Hayden	Overton	Walcott
Clark	Hebert	Patterson	Walsh
Connally	Johnson	Pittman	Wheeler
Coolidge	Kean	Pope	White
Copeland	Kendrick	Reed	

The PRESIDING OFFICER. Ninety-one Senators having answered to their names, a quorum is present. The question is on the amendment of the Senator from Wyoming in the nature of a substitute for the amendment of the Senator from Minnesota.

Mr. SHIPSTEAD. I make the point of order that the amendment of the Senator from Wyoming is an amendment in the third degree.

The PRESIDING OFFICER. The Chair is of the opinion that the point of order is well taken.

Mr. ROBINSON of Arkansas. Mr. President, in that view of the matter, since the Chair sustains the point of order, those who are in favor of the amendment of the Senator from Wyoming, if they wish to vote for it, would vote "nay" on the amendment of the Senator from Minnesota and thus have an opportunity to vote "yea" if the amendment of the Senator from Wyoming is subsequently offered. I think the amendment of the Senator from Wyoming is all right. I think it is fair. I do not believe the Shipstead amendment should be agreed to, as I have already stated.

Mr. CAREY. Mr. President, I withdraw my amendment now, and will offer it after the amendment of the Senator from Minnesota is disposed of.

Mr. SHIPSTEAD. Mr. President, before the vote is taken on my amendment I should like to call this point to the attention of the Senate. The principle involved in the amendment now pending tries to carry out the same principle for borrowers of the joint-stock land banks as has already been accorded borrowers of the Federal land banks. In principle it is the same, but it is not the same in words. Here is what was incorporated in the bill for the benefit of the borrowers from the Federal land banks:

Any borrower who obtains a loan from a Federal land bank after the date of this paragraph takes effect may, at any time after the expiration of 5 years from the date such loan was made, tender to such bank on any regular installment date bonds issued

under this paragraph in an amount not to exceed the unpaid principal of his loan, and the bonds so tendered shall be accepted by the bank at par in payment of any part of such unpaid principal.

The principle involved in the section just read does not vary except in wording from the amendment now pending. A borrower from the Federal land bank can go out and, if he can buy the bonds on the market at 40 cents on the dollar, can take those bonds and present them to the Federal land bank and those bonds will pay their face value upon the debt represented by his mortgage. My amendment provides that the money which is furnished by the Federal Government for purchasing the outstanding liabilities of the joint-stock land banks below par—that is, the amount at which they are purchased below par—shall go to the benefit of the borrowers from the bank. We are giving to the borrowers of the joint-stock land banks the same privilege we have already given to the borrowers of the Federal land banks. That is all the amendment means.

Mr. ROBINSON of Arkansas. Mr. President, the statement just made by the Senator from Minnesota is somewhat misleading. The new bonds which are to be permitted to be used in settlement of debts due the bank have their interest guaranteed by the Government. They are based upon a substantial scale down. That is an entirely different proposition from taking bonds that are worth 30 or 40 cents and denying the bank the right to purchase its own bonds, as it is now required to do by law, and giving the proceeds to the alleged borrower. The bank would have no object in making a loan if it could get no benefit from it. The loans would not be made. The effect of the Shipstead amendment would be to prevent any loans under this provision of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota.

Mr. SHIPSTEAD. I call for the yeas and nays.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota. [Putting the question.] The amendment is rejected.

Mr. SHIPSTEAD. I ask for a division.

The PRESIDING OFFICER. The Chair had announced its decision on the vote just taken and the request for a division comes too late.

Mr. REED. Mr. President, I understand that during my absence from the Chamber the Senator from Arkansas [Mr. ROBINSON] called attention to some newspaper articles printed this morning which seemed to imply that I had stated an intention to filibuster against the amendment of the Senator from Oklahoma [Mr. THOMAS]. I want to assure the Senator and his colleagues that no such statement was authorized by me and no such ridiculous intention was ever entertained by me. I have no idea of filibustering against the amendment, but I do know that some of my colleagues and I intend to speak our minds plainly about it in the hope that the country will come to realize what is in the amendment; and in the further hope that, realizing it, the country will make its feelings so well known that the amendment will not be adopted.

Mr. President, I should like to say further that many inquiries have come in as to the amount of inflation that might be possible under the amendment. I think it is very easy to compute.

In the first place an inflation of \$3,000,000,000 may be authorized—it is not compelled, but it is authorized—under the first section of the bill. A further and additional inflation of \$3,000,000,000 may be resorted to by the use of printing-press money authorized by the second section of the bill. A third type of inflation over and above that \$6,000,000,000 which I have mentioned may be resorted to by the use of the authority which it would give to the President to diminish the gold content of the dollar.

If the present outstanding circulation of the United States—which, at this moment, is about \$6,000,000,000—were treated to that process, obviously its amount would be doubled. There we have an additional six billions of cur-

rency which would be issued by the exercise of that presidential power.

I have reached a total of 12 billions of additional currency.

In addition to all of that, our present gold reserves, with the present standard of gold content in the dollar, are sufficient as the law now stands to justify an additional currency issue of sound money of about \$4,000,000,000; and that in itself would be doubled by the use of this power of the President to diminish the gold content.

That is to say, if all of the power given by this bill were exercised, we would have an addition of 3 billions through purchases by the Federal Reserve banks of Government securities; an addition of another 3 billions through the issuance of printing-press money to retire outstanding Government bonds; an addition of 6 billions through the inflation of the present outstanding currency; and an addition of 8 billions through a use of our surplus gold stocks based on this new diminished gold-reserve requirement.

Three plus three plus six plus eight makes twenty billions of dollars. That is the maximum inflation, as I compute it, authorized by this bill. I disregard as comparatively unimportant the silver section with which the bill concludes.

Mr. LONG. Mr. President—

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Louisiana?

Mr. REED. I do.

Mr. LONG. How does the Senator get the \$8,000,000,000 from the gold? We have \$4,400,000,000 of gold. If it is devaluated 50 percent, that only increases the amount \$4,400,000,000.

Mr. REED. No, no. We have at the present time the 40-percent gold reserve required.

Mr. LONG. That is right.

Mr. REED. That backs up the outstanding 6 billions of currency that we now have. We have at this minute a surplus gold stock which would justify the issuance of about 4 billions of additional currency.

Mr. LONG. Oh, well—

Mr. REED. There is no demand for it, and that is why it is not issued. I am giving the maximum.

The immediate result, if all the powers were exercised, would be an addition of about \$12,000,000,000 to our currency, with a possible additional 8 billions under this power to issue currency against our surplus gold stocks.

I think that answers the question.

Mr. ROBINSON of Arkansas. Mr. President, it is not my intention now to enter upon a discussion of the currency amendment soon to be presented. I am happy to learn that my friend the Senator from Pennsylvania was misquoted when the statement was attributed to him by the press of the country that he was organizing something in the nature of a filibuster.

It is true that I recall that he said, in his statement disavowing any purpose to filibuster, that he and others associated with him intended to express their minds fully and freely.

Mr. REED. Freely, I said.

Mr. ROBINSON of Arkansas. Freely, which may be subject to interpretation—

Mr. REED. Will the Senator permit an interruption?

Mr. ROBINSON of Arkansas. Certainly.

Mr. REED. I do not want to have any misunderstanding about it. As I view the situation—of course, our leader on this side may see it differently—I do not see any reason why this amendment should not be conclusively disposed of by next Wednesday at the latest.

Mr. ROBINSON of Arkansas. Very well, Mr. President. I am happy to have the assurance of the Senator from Pennsylvania that in his opinion the amendment may be disposed of by next Wednesday.

As I said in my statement, there is no purpose with which I am familiar to prevent Senators from expressing their minds freely. The subject is one of very great importance. I think the Senator from Pennsylvania has removed from

the issue, for the present at least, what appeared to be the threat of an impending filibuster, and I thank him.

Mr. CAREY. Mr. President, I send to the desk an amendment which I ask to have stated.

The VICE PRESIDENT. The Senator from Wyoming offers an amendment which will be stated.

The LEGISLATIVE CLERK. On page 13, line 18, after the word "reasons", it is proposed to insert:

Such loans shall be made to aid the orderly liquidation of any such bank in accordance with such plan as may be approved by the Farm Loan Commissioner. Before any such plan is approved by the Commissioner he shall be satisfied that the plan carries out the purposes of this section, and that such part of the proceeds of the loan as is devoted to settlements with bondholders will be used only to effect an equitable settlement with all bondholders. After the plan has been approved by the commissioner he shall require the bank to mail a copy thereof to all its known bondholders, and to publish a notice setting forth its provisions in at least three newspapers having general circulation.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Wyoming to the amendment of the Senator from New York.

Mr. WAGNER. Mr. President, as far as I am concerned, I have no objection to the proposed amendment.

The amendment to the amendment was agreed to.

The VICE PRESIDENT. The question now is on the Wagner amendment, as amended.

Mr. McCARRAN. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The Senator from Nevada offers an amendment to the amendment of the Senator from New York which will be stated.

The LEGISLATIVE CLERK. On page 19, line 10, of the Wagner amendment, immediately before the word "to", it is proposed to insert "(1)"; and in line 15, after the word "purposes", it is proposed to insert:

(2) irrigation districts organized under the laws of any State and operating under contract with the United States to aid in the payment of their operation and maintenance charges and provide funds for the installation and operation of necessary works and to protect the rights of the United States in the project.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Nevada to the amendment of the Senator from New York.

Mr. McCARRAN. Mr. President, the clause sought to be amended by the amendment I have sent to the desk is one that provides relief to these various reclamation projects. There is no reason why projects fostered by the Government in the first instance, on which Government money to the amount of millions of dollars has been expended, should not be included, so that those who have come into these projects, have settled the lands, and have made good up to the period of depression, may be aided.

May I explain that this amendment is solely for the purpose of aiding those who to a large extent have relieved the Government from its burden by taking over the project under State statutes, and have assisted the Government in reducing the expenses. By reason of the depression, by reason of the fact that they have been unable to sell their crops during the past 2 years, they find themselves unable to pay the maintenance and operation charges.

Is there any reason why they, of all the projects, should be segregated and set apart, and not allowed to borrow from the Reconstruction Finance Corporation or from any one of the agencies of the Government, giving as security the bonds of the particular district? Is there any reason why they should be set apart so that this land may return to the Government and be entirely depleted of its value? They indeed should have the same consideration that any other reclamation project should have.

Mr. WAGNER. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from New York?

Mr. McCARRAN. Yes.

Mr. WAGNER. Where does the Senator find that in the proposed amendment we are providing any funds to any irrigation district for operating expenses? That is a departure from the principle of this bill.

Mr. McCARRAN. That is exactly what I am trying to get away from—the departure. In other words, realizing that the learned Senator from New York does not know the nature of these projects, realizing that his knowledge is circumscribed because he does not understand the condition of these projects, I take it that the Senator does not understand what it is for those upon the projects to be behind in their payments to the Government for maintenance and operation.

"Maintenance and operation" means the maintenance of the project which is a burden upon the projector. Those who have come in there, taken up and reclaimed the land, applied the water and caused it to produce, are now confronted with the rules and regulations of the Department under which they operate to the extent that they cannot have the gates opened, so that they cannot even get water for this spring's crop, and unless they get water they are entirely deprived of the crop coming on this year. Maintenance and operation charges were imposed upon them last year and the year before. They were unable to meet those charges. Their alfalfa is on their hands. Their cattle are on their hands. Their grain is on their hands. They cannot get a dollar for it in any one of these projects.

On the other hand, at the solicitation of the Government these men have taken over the projects and have relieved the Government, coming in under State statutes, if you please. They elect their own board of directors. They have their own managers. They have relieved the Government of an enormous expense. They do not come under the direct head of Government projects. In other words, they are not entirely dependent on the Government for their support. They are in the course of agricultural pursuits. This amendment simply proposes that they may give to the Reconstruction Finance Corporation the bonds of their particular district, voted by their people, pledging and promising that they will pay back the loan—that they may have the right to borrow from the agencies of the Government and pay as any other borrower would pay.

What secures this money? More than there is behind many of the projects, because the lands that were reclaimed by these projectors—if I may so term them—are Government lands, to which the initial title still remains in the Government. The projectors have not been able to pay off yet. Some of them are paying as high as \$100 an acre. They have paid only \$40, and still owe \$60. Some of them have paid different prices. These people were brought into these projects at the solicitation and invitation of the Government. They did not come in seeking anything except what the Government said they should have.

I have in my possession circulars sent out over the United States, inviting homesteaders to come in and take up 80, 160, or 200 acres of this land and put their lives into it to reclaim it from a desert waste. It took three generations, if you please, to sod some of these projects. The first generation came in and the winds and the rains and the desert blasts swept them out, and they had to go. The next generation came on and found nothing better. The third generation came on and, perchance, established themselves. They are now established and have taken over these projects. All they are asking by reason of this amendment is the right to borrow—not the right to have a gift made to them—the right to borrow by the vote of their own projectors, those who have given their lives to these projects.

Is there any reason why the learned Senator from New York, whose knowledge of the West is circumscribed to Washington, in all probability, should say that he will not accept this amendment, and that those who have caused the desert to bloom, who made conditions as they are in the West, shall suffer, and he will circumscribe the whole situation so that those who came in under Government invitation shall not have the benefit of Government legislation?

Mr. WAGNER. Mr. President, I am very sorry that I aroused the Senator to the extent of questioning my knowledge of the West. However, I do not think that is involved in this particular question.

I sympathize with the attitude of the Senator and in what he is seeking to accomplish for his constituents, and, so far as I am concerned, if the Senate wants to depart from the principle involved in this legislation, I am quite willing to accept it. But thus far we have limited the legislation to refinancing existing indebtedness. We will need a very much larger appropriation if we are also to extend these loans for the operation of the drainage districts and these other districts which are now operating. It is that departure which the Senate will have to determine.

I have no desire to prevent the Senator from getting the relief for those for whom he is pleading, but we will have to increase the authorization of \$200,000,000 by a considerable sum, if we are to go into the business of lending money to these districts for the purpose of operating their particular projects. That is simply a matter of principle, which the Senate must decide. I want the Senator to be assured that I am in sympathy with his cause, and admire his fervid pleading.

Mr. McCARRAN. Mr. President, in reply to the Senator, if I may reply, the Senator does not grasp the situation. I should like to have him understand it. This is not a question of paying for the continuation of the operating expenses of these projects. The proposed sum would not have to be increased at all. It is a question of meeting conditions which prevail now. If we do not do something for the settlers on these projects, these people who have come in and taken up the desert, this desert land will be turned back to the Government at a loss of millions and millions of dollars, because the Government in the first instance, inviting these homesteaders in there, spent \$10,000,000 in cold cash on at least my own project, the Newlands project, named after the author of the law.

These farmers simply find themselves with their crops on their hands. They cannot move them. Certainly they must either move or get water for this season. The gates are shut down. They will not be opened until these expenses for last year have been paid. They will have to move out, and the land will revert to the Government, to the loss of the Government and the loss of the life and the blood and the money of those who came in there and tried to settle. That is all there is in this amendment, an opportunity for those who have tried to develop this country to get just a little assistance out of the money we are asked to appropriate.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Nevada [Mr. McCARRAN].

Mr. McCARRAN. I ask for a division.

On a division, the amendment was agreed to.

Mr. CLARK. Mr. President, no question can possibly be of more importance in this crisis of our economic history than the question of affording relief to American agriculture. It is a matter of such vital import to the whole of our people that we should proceed with extreme care. The farmers of the United States are, in my opinion, in no condition to withstand another Farm Board fiasco, which I greatly fear will be the result of this proposed act.

The story of American agriculture since the conclusion of the World War forms one of the major tragedies in the history of modern times. Arbitrarily limited and circumscribed by Mr. Hoover during the war, prevented from selling the products of the soil for the best price they would bring in the markets of the world, agriculture was caught almost immediately after the signing of the armistice in an artificial depression caused by the sudden deflation of agricultural values forced by the arbitrary action of the Federal Reserve Board. And this tragic situation has steadily deepened since 1921. In the false pseudoproprosperity of the Harding and Coolidge administrations, which we now know to have been only a stock-market prosperity, the 30,000,000 Americans making up the farm population of the United States had no part.

To fully comprehend the plight of the American farmer, it must be remembered that since the close of the war the farm debt of the United States has increased from

less than \$4,000,000,000 to more than \$14,000,000,000, an increase of more than \$10,000,000,000, a sum comparable to the whole of the interallied debt owed the United States by other nations which is being heralded as the great economic weight which is crushing the world. But there is this very essential difference between the foreign debt and the farm debt, and that is that the foreign debt was cut in half before it was funded—we gave our debtors over \$11,000,000,000 outright—and then was funded over a long period, running up to 68 years, at the lowest possible rate of interest, while the farm debt of the United States consists of short-term obligations, constantly falling due, difficult to renew, to be renewed, if at all, only on ruinous commissions and bearing interest at 6 or 7 or 8 percent or even higher. The depreciation on the value of farm lands and improvements in the last 12 years has reached a staggering sum, well in excess of \$20,000,000,000, a sum so vast as almost to pass the comprehension of the human mind.

Fundamentally, the tariff is primarily responsible for the condition of the farmer. The tariff on agricultural commodities thrown out as a sop to the farmer to induce him to endure the whole infernal prohibitive tariff system can never be effective on commodities in which we produce great exportable surpluses which must be sold abroad at prices regulated by world conditions. This fact was conclusively demonstrated in the last 2 years, when with a tariff of 42 cents a bushel on wheat, wheat actually sold out in western Kansas down to 24 cents a bushel.

What has happened to the farmer is this: That over a long period of years he has been compelled to buy everything he had to buy in a protected market and to sell everything he had to sell in a free market at prices regulated by world conditions. It has been the same proposition as if the farmer had been for years bucking a faro bank or some other gambling game in which there was a definite percentage against him. That would break Henry Ford or John D. Rockefeller if he kept it up long enough, and it has just about "busted" the American farmer now.

Mr. President, I am against the pending bill for reasons which I shall presently state, because I believe that it involves a serious abdication on the part of Congress and a delegation of power to a department of the executive abhorrent to our theory and system of government. I am against it because it is inadequate in its relief. It has been impossible for me to listen without a smile to some of the objections raised to this character of legislation. Old battle-scarred veterans of the army of privilege, men who vehemently defended every infamy in the Fordney-McCumber and Hoover-Grundy tariff bills, who voted for prohibitive tariffs in a revenue bill, have piously held up their hands in holy horror at the idea of imposing a tax for the benefit of a special class and at the idea of any interference with the law of supply and demand.

Mr. President, the protective tariff, which has now in many instances become the prohibitive tariff, was never anything except a tax on the consuming public in the interest of a special class. It is the cornerstone of privilege. Most of our economic evils are built around it. It is the most flagrant and outrageous interference with the law of supply and demand in the entire history of the world. It does not lie in the mouths of men who throughout their political lives have worn the livery of the devil of prohibitive tariffs to be complaining against special taxes in the interest of the agricultural class who have been brought to ruin by that very system.

How can a man support the prohibitive tariff system and protest against interference with the law of supply and demand? The tariff, by its very nature, is an interference with the law of supply and demand. The Esch-Cummins Act, the Interstate Commerce Commission Act, the Federal Trade Commission law, the Packers and Stockyards Act, the Adamson law, the 8-hour law, the Convict Labor Act, are all interferences with the law of supply and demand. The public utility laws of the various States granting monopolies to certain favored utilities are nothing but interferences with the law of supply and demand. Half the laws on the statute books are interferences with the law of supply and

demand—some of them good and some of them bad. But men who have cheerfully and vigorously participated in every form of infringement on that law in the interest of protected industry and entrenched capital are now sore at heart and struck with horror at the idea of any invasion of the law of supply and demand for the benefit of the farm population of the United States.

Mr. President, my opposition to this measure is on far different grounds. With the declared purposes of the proposed law I am in entire sympathy. With the declaration of emergency, which is the prelude to title I, I am in entire agreement as affording a reasonable explanation of the action of Congress, although I cannot agree that a congressional declaration of emergency can possibly supply any constitutional sanction for acts otherwise unconstitutional.

My objection to this measure, Mr. President, is that it involves a more sweeping abdication of power by the Congress than has yet been accomplished in the history of our Government, and that it invests the Secretary of Agriculture, a mere statutory officer, with powers more dictatorial than have ever been entrusted to any official, military or civil, in wartime or peacetime, not excluding the various Presidents of the United States, since the adoption of the Constitution.

Under the terms of the bill, the Secretary of Agriculture is invested with dictatorial power over the farmers and a large part of the industries of the United States. He is given power to tax one industry and not to tax another, to apply the tax in one portion of the United States and to refrain from levying it in another, to tax the processors of one commodity for the purpose of increasing the price of another commodity. He is even granted authority to increase tariff rates, and to exercise the authority imposed by the Constitution on Congress of regulating import duties. He is authorized to suspend the antitrust laws of the Nation. These are grants, not to the President, but to a mere statutory official.

The President himself is left without authority to curb the exercise of these extraordinary powers except by removal of the Secretary of Agriculture. Without suggesting that such a thing is likely to happen in the present situation, it is not amiss, perhaps, to remark in the consideration of a measure which may become a precedent that there have been instances when Cabinet officers defied Presidents, notably in the case of Secretary Duane in Jackson's administration, and Secretary Stanton in Johnson's administration. In the latter case a hostile congressional majority actually asserted the right of a member of the Cabinet to exercise statutory authority and to defy removal by the Executive himself. The refusal of the President to accede to this proposition led to his impeachment and a trial by this body, where he was saved from conviction by a margin of only 1 vote.

We are asked to grant to the Secretary of Agriculture powers of which such distinguished public servants as Alexander Hamilton, Albert Gallatin, Robert J. Walker, and Salmon P. Chase never even dreamed.

Congress is asked to sign a blank check and to hand it over to be filled in by the Secretary of Agriculture. Powers are here delegated which were never requested by Washington, Jefferson, Madison, Jackson, or Lincoln. Powers are here given to the Secretary of Agriculture such as Woodrow Wilson never requested for a subordinate during the worst crises of the World War. No President of the United States has ever exercised such power as is conferred upon the Secretary of Agriculture by this measure.

Moreover, Mr. President, I regard the relief sought to be achieved under the terms of the bill as inadequate. As I said in the beginning of my remarks, no one realizes more keenly than I the plight of the American farmer and no one is more anxious to help him than am I. But I do not believe that this end can be achieved under the pending measure.

When in the early days of the Hoover administration, through the Farm Marketing Act, the farmers of the country were led to expect great things in the way of improvement of farm conditions, these high hopes resulted only in overwhelming disappointment. The Farm Board fiasco re-

sulted in tragic disaster for American agriculture. I do not wish to disappoint the farmers of the United States again, for they are in no condition to stand it.

Whether we know it or not, we are dealing with the farm-relief question for the last time. The farmer's condition is so desperate, his powers of resistance have sagged so low that this time relief must be adequate or it will be forever too late.

During the progress of the recent campaign President Roosevelt repeatedly stated that prosperity could never be permanently restored to the United States until the buying power of the millions who make up our farm population and the additional millions who live in the small towns and villages of the United States has been fully restored. This diagnosis of the President has never been successfully challenged. If his conclusions were correct, then it must follow that we will content ourselves with a measure of half-way farm relief at our peril.

If it is really our purpose to restore the buying power of the farmer—and, in my opinion, nothing could be of greater benefit to industry as well as agriculture—than restoration to the farm prices of the period 1909 to 1914 is, in my judgment, little more than a gesture in this direction. Since the period 1909 to 1914 the farmers' costs of production have greatly increased, as was ably shown last week by the Senator from North Dakota [Mr. FRAZIER], when he demonstrated the extent to which the farmers' freight rates, taxes, interest on debts, merchandise costs, and other expenses have increased since the period of 1909 to 1914. Therefore it seems to me to be farcical to assert that the pending bill will restore the farmers' buying power.

Furthermore, Mr. President, I do not believe that the leasing of some 50,000,000 acres of so-called "marginal land" is sound. In the first place, it will require an army of men to administer it, and that at a time when every effort is being made to reduce expenditures. In the second place, it will necessarily constitute a sort of pension system or dole. Once fastened upon the Government, it may become the permanent policy of our Nation. In the third place, it has never been demonstrated that the existing surpluses are normal surpluses. Such surpluses are as much the result of underconsumption as of overproduction. Before retiring vast areas of land from production, it might be desirable to find out how much these surpluses amount to when consumption has been restored to normal and the American people are again eating three square meals a day. Moreover, Mr. President, we cannot adequately estimate the real farm surplus until after there has been a breaking down of the indefensible, prohibitive tariff walls and until some opportunity has been offered for exchanging our surplus wheat, cotton, and pork for foreign products and merchandise which is not seriously competitive with our own industries.

Mr. President, surely there must be some simpler and less expensive method through which our various farm surpluses can be so segregated that we will be able to assure to the farmer a fair price in the domestic market. This is the heart of the problem with which we are dealing. In my opinion, there is no way under high heaven of successfully regulating the various farm surpluses under the marginal acreage theory; for if by this or any other method these surpluses should be reduced to the vanishing point, there will inevitably be years of short crops when our production of wheat and other farm commodities will not be sufficient to supply our own needs. Congress certainly does not wish to deliberately invite such a situation.

There have been long periods in our history when our farm surpluses constituted the most important part of the wealth of the Nation. If world trade were once again permitted to flow in its natural channels this might well occur again. Therefore, Mr. President, I repeat that the sound and sensible policy would be to continue to produce surpluses, but to so segregate them so that they will not be a factor in our domestic markets.

Mr. President, this measure represents a conglomeration of several different legislative propositions, having no logical

or reasonable connection with each other, some of which are good and some of which are bad. It was apparently the theory of those who prepared this proposed act that by adding on such meritorious measures as the so-called "Smith cotton bill", contained in part 1 of title I, and the measure for refinancing farm mortgages and drainage district bonds, Senators will be compelled to swallow the obnoxious portions of the bill.

I am intensely interested in the matter of refinancing farm mortgages. I am very much in favor of the provision of the bill for affording relief to drainage districts, which is strikingly similar to the provisions of a bill which I myself recently introduced in this body. There is no necessity whatever for the inclusion of these measures in the pending bill. They are embodied in a separate bill which passed the House last week and is now pending in the Senate and may be brought up for consideration at any time. I protest, Mr. President, that the action of the committee in undertaking to bludgeon Senators into swallowing obnoxious propositions by tying them on to propositions of merit is both dishonest and unfair. For my part, I voted for and actively supported the Smith bill in the last Congress and would gladly do so again. I should gladly vote for title II having to do with the refinancing of farm mortgages. But I cannot vote for the rest of the bill, no matter into what kind of a hodge-podge it may be thrown.

Mr. COSTIGAN. Mr. President, the Senator from New York [Mr. WAGNER] is temporarily absent. I desire to offer an amendment to his amendment. I have asked that he be notified. Perhaps it is just as well to state the amendment for the benefit of the clerk, since it has already been drawn to the attention of the Senator from New York.

On page 19, line 14, of the amendment of the Senator from New York I move to strike out the word "completed."

The PRESIDING OFFICER (Mr. BARKLEY in the chair). Will the Senator send his amendment to the desk?

Mr. COSTIGAN. This is a different amendment from the one which the clerk has at the desk. I am moving orally to strike out the word "completed" and, after the word "projects", to add the words "substantially advanced toward completion and".

The original text as submitted by the Senate committee in the form of an amendment used the word "undertaken" in connection with "projects". The amendment of the Senator from New York uses the word "completed". Neither word would appear to be entirely satisfactory because of technical objections which may be raised. Obviously the word "undertaken" would allow too broad a latitude, and the word "completed" may prevent the use of certain funds for refinancing even where maintenance incidental to construction, and other similar proper purposes may indicate something less than absolute completion. Has the Senator from New York any comment to make?

Mr. WAGNER. Mr. President, I do not think that this proposed amendment materially changes the purpose of the particular provision, and I am quite willing to have the amendment go to conference for consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 19, line 14, it is proposed to strike out the word "completed" and, after the word "projects" in the same line, to insert "substantially advanced toward completion and".

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Colorado to the amendment of the Senator from New York.

The amendment to the amendment was agreed to.

Mr. COSTIGAN. Mr. President, I send to the desk and ask the clerk to read another amendment to the amendment of the Senator from New York.

The PRESIDING OFFICER. The amendment offered by the Senator from Colorado will be stated.

The LEGISLATIVE CLERK. On page 19, line 12, after the word "State", it is proposed to insert a comma and the words "including private corporations organized for drainage, levee, levee and drainage, or irrigation purposes."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Colorado to the amendment of the Senator from New York [Mr. WAGNER].

The amendment to the amendment was agreed to.

Mr. COSTIGAN. I also offer the amendment appearing at the desk on the same sheet as the amendment which has just been agreed to.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 19, line 15, after the word "projects", it is proposed to insert a comma and the words "including, in the case of irrigation systems, dams and reservoirs, and electric-power projects developed by, incident to, and directly connected with such irrigation systems."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado to the amendment of the Senator from New York.

The amendment to the amendment was agreed to.

Mr. TRAMMELL. Mr. President, I desire to propose an amendment on page 8, line 2, to strike out the words "may, in his discretion", and insert the word "shall". My amendment makes mandatory, instead of purely discretionary, that farm-loan banks shall be authorized to make loans to individual borrowers in districts where there are no farm-loan associations from which they can obtain the loan. It has been heralded throughout the country that there was being set up in this bill a convenient and accessible method whereby the small farmer could obtain loans, I believe, up to \$5,000 even in sections that are not included within a Federal land-bank district or a land-bank association district.

Mr. WAGNER. Mr. President, I did not quite understand the place where the amendment is to be made.

Mr. TRAMMELL. On page 8, in the latter part of line 2, I propose to strike out the words "may, in his discretion", and insert "shall".

Mr. WAGNER. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Florida to the amendment of the Senator from New York.

The amendment to the amendment was agreed to.

Mr. TRAMMELL. Mr. President, I do not care to discuss at length the very plain proposition as to which way we should vote, but on page 8 of the amendment of the Senator from New York I desire to strike out lines 12 to 16, inclusive. That is the provision in the bill which requires one half of 1 percent interest more upon farmers who borrow under this provision than under the general provisions of the bill. I move that that section be stricken out—page 8, lines 12 to 16, inclusive.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. The Senator from Florida proposes, on page 8, to strike out lines 12 to 16, as follows:

The rate of interest on such direct loans made at any time by any Federal land bank shall be one half of 1 percent per annum in excess of the rate of interest charged to borrowers on mortgage loans made at such time by the bank through national farm-loan associations.

Mr. TRAMMELL. This provision requires a greater amount of interest from a person obtaining a loan direct than in sections where they have not the convenience of these banks than does the provision in my amendment. My idea is to put them on a parity in the matter of interest.

Mr. WAGNER. Mr. President, I would suggest that it has been the policy, in the loans made by the farm land banks ever since their existence began, that where the loan is not made to an association one half of 1 percent additional interest is charged. It is again a question of whether the Senate wants to depart from that very thoroughly long-established principle.

Mr. TRAMMELL. I think that should be changed, especially at the present time, when the Government is assuming practically all responsibility of straightening up our financial wrecks and correcting certain features of our joint-stock land banks. It seems to me we should be as liberal as pos-

sible with the farmer who has borrowed or may borrow under the plan Congress is now making.

Mr. WAGNER. I do not think the Senator meant to say the farm land banks are wrecked. They are in a very healthy financial condition at the present time.

Mr. TRAMMELL. I did not mean that literally, but the provisions of the bill, according to my construction, have dealt much more generously with the banks and stockholders and bondholders than with the poor, helpless farmer whom we are trying to assist. I want them all dealt with fairly, but I want the farmer treated as fairly and generously as possible under the present circumstances. No class of our people is more in need of liberal aid.

Mr. WAGNER. I am sure the Senator must misunderstand the intent of the bill. I think the primary benefits are extended to the farmer. I think the primary benefit to the farmer is to reduce his indebtedness. If incidental to that the banks which have financed the particular loans are benefited somewhat, too, it is purely incidental, but the primary purpose of the bill is to lighten the burden of debt on the farmer.

Mr. TRAMMELL. I fully appreciate that it has a number of splendid provisions, and I am going to support them, but I offer that comment. It is merely my own opinion. The bill is much more generous in its provisions in the protection of the banks and stockholders and bondholders than in the protection and for the assistance of the farmer. I mean no reflection, but that is my opinion. I did not write the bill; but if I had been writing it, my center of sympathy and desire to assist would have been around the farmer who is in desperate circumstances and needing the assistance of the Government. I believe the average person who will read the bill will certainly not accuse anybody of discriminating in any instance in behalf of the farmer.

Mr. WAGNER. The rates of interest are reduced, and wherever the Federal land bank purchased a mortgage at less than the face value of the mortgage, that difference goes directly to the farmer.

Mr. TRAMMELL. It certainly should. I know of a great many generous banks who give the farmer the benefit of anything of that sort now without a law requiring it. That is a wise concession frequently for both parties. If we get anything out of the bill in the interest of the farmer, I am very thankful for it, but I do not think it has been written as favorably to the farmers of the land as it has in behalf of the banker and the people who have their money invested in the enterprise with which we are dealing.

Mr. WAGNER. Has the Senator any suggestion to make?

Mr. TRAMMELL. Yes; I have one. I want to offer an amendment. I want to place the person who got the direct loan upon the same basis, as to interest, as any other person.

Mr. CAREY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Wyoming?

Mr. TRAMMELL. I yield.

Mr. CAREY. I should like to state that the reason for that is that, ordinarily, in dealing through a Federal land bank, an association is formed and members of the association subscribe for stock in the bank and also guarantee the paper of the borrowers in the association. The reason for the one half of 1 percent was that there is no guaranty back of the direct loan as there is back of the loan made to the association. In other words, the bank has the security of all the borrowers of the association.

Mr. TRAMMELL. Yes; I know they combine them in that way, but it seems to me in making an individual a loan which is authorized they would exercise the same precaution that they would in making a loan where the borrowers are in an association. Of course, they have that much additional security. In view of the fact that the money, when obtained from the Government, is obtained at a rate of interest that permits a certain spread, I do not see why we should tax the person because he is inconveniently situated and charge him more interest than we would if he were conveniently located for the purpose of getting his money.

Mr. CAREY. The cost of administration is a little greater in the individual loan, and the association assists the bank in looking after the loans, which is not possible where a man is not a member of the association.

Mr. FRAZIER. Mr. President, I am strongly in favor of the amendment of the Senator from Florida, for the reason that the $4\frac{1}{2}$ percent rate of interest to the farmer is too high in comparison with the other rates of interest. In my opinion there is no excuse for charging the independent farmer who is not in an association one half of 1 percent more. I should like to see the next two paragraphs, which provide for the association, stricken out also. We have no way of judging the future except by the past. In the past these associations or the regulations compelling associations to be formed and compelling the borrower to take 5 percent of the amount of his loan in capital stock have proved to be only an additional burden in the way of an additional interest rate upon the borrower. The bill is a 5-year bill, and an additional 1 percent per annum means 5 percent for the 5 years. It means an additional 1 percent for a loan made at $5\frac{1}{2}$ percent instead of $4\frac{1}{2}$ percent. The three paragraphs should be stricken out.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Florida. (Putting the question.) The Chair is in doubt.

Mr. TRAMMELL. Let us have a division.

On a division, the amendment was agreed to.

Mr. TRAMMELL. Mr. President, I desire to offer another amendment. I will read it and then send it to the desk. On page 6, at the end of line 13, add the following paragraph:

That where it appears that the property mortgaged is worth less than the amount of the mortgage and the charges on the property, the mortgagor may request reappraisal of the property; and if it is ascertained that the property mortgaged is of less value than the amount due on the mortgage, a readjustment of the sum of the mortgage shall be made, and such reduction made that it will equal the amount of the value of the property as reappraised, and thereafter that will be the amount of charge against the property on account of the mortgage.

The idea is that if there is a mortgage existing upon a farm for \$10,000, for illustration, and the man is unable to carry the mortgage, and it is known to him and to his neighbors and everybody else that property values have depreciated until the property is now really worth only \$5,000, and if the representatives of the bank will make a little inquiry they will find it is not worth over \$5,000, then we should readjust the situation in regard to the amount of mortgage under the appraisal, and the mortgage shall then be continued at the amount of the appraised value.

Of course, that would sound very ridiculous and absurd in normal times when business was going along in its ordinary, customary way; but when Congress is making provision to assist with Government funds this and that enterprise, all kinds of private institutions, and when in this bill Congress is providing for making adjustments, charge-offs, and prop-ups for the farm-loan banks, why should we not readjust to the extent that we will not have a mortgage continued for \$10,000 when the property, upon an appraisal by the representatives of the bank, is found to be worth only \$5,000? Why not have a readjustment? Why not let the farmer continue to own his own farm with a smaller mortgage upon it, instead of foreclosing and then permitting a stranger to acquire it at the smaller valuation?

It seems to me that the Government would lose nothing by it, and it would often give a farmer an opportunity to continue his operations and an opportunity to live; whereas, upon the other hand, with the \$10,000 mortgage hanging over him without any adjustment whatever, he could not possibly ever extricate himself from that indebtedness, and the Government would be no better off.

Of course, something has been said here about the question of interest, about charging off some interest; but provision is made for the Government paying that interest. It is claimed we are very sympathetic to the farmer and allow him a certain reduction of interest; but we see to it in the provisions of this bill that the spread we give to the

farmer in the nature of a reduction is paid to the banks by the Government—paid first by an appropriation, and then, after that is exhausted, it is paid by a reduction of the amount of interest that we charge to the banker for the funds he is using in carrying on these transactions.

I desire to try out this plan and see if it would not bring about a better condition in instances of mortgages where the properties are not worth, say, more than half the face value of the mortgage, under present reduced valuations, in the hope that it would eventually help the poor farmer, who is in a condition where he never can pay off a mortgage that is twice the amount of the value of his property. This plan would also assist the Government, because it would have the effect of encouraging the farmer to go ahead, when otherwise he would know that there was no possibility of his extricating himself from this situation and would give up in despair.

I will say that while that kind of a transaction is not customary, it is not by any means unknown in private affairs. I have known a good many times in my own State of readjustments between a creditor and a debtor. As an illustration, they would get together, and the creditor would say, "You owe me \$10,000. Your security is not worth over \$5,000. I know that there is no chance for you to pay." The debtor says, "If you can just fix this in some way on a \$5,000 basis, I can work it out." So they get together and make such an adjustment.

I should like to see a provision along the line proposed by my amendment. The amendment is rather crudely worded. I wrote it at my desk here, with talking all around me; yet the language makes plain my purpose.

Mr. WAGNER. Mr. President, as I understand, what the Senator proposes is that if a mortgagor having a mortgage of \$10,000 makes application to have a reappraisal of the property upon which the mortgage is given, and that reappraisal indicates that the value of the property is one half the amount of the mortgage—that is, it is worth \$5,000—then the mortgagee by law will be compelled to reduce that mortgage by 50 percent.

Mr. TRAMMELL. That would be part of the process of a rearrangement of this whole situation.

Mr. WAGNER. How can we, by law, compel a mortgagee to reduce his mortgage, the amount of money which is owing to him?

Mr. TRAMMELL. We can use some of these little in-offensive methods that you use in regard to some other matters by simply saying that banks can get money only if they agree to certain policies. That is the way your bill forces certain other relief. We provide that before they can get the money they must promise that they will do certain things.

Mr. WAGNER. But under the amendment proposed by the Senator from Florida, we by law are saying to a mortgagee, "After we reappraise the property, and determine that the value of the property is less than the face of the mortgage, you, the mortgagee, must reduce the mortgage down to the actual value of the property." I do not know of any constitutional way in which we can compel such a reduction; and I am sure that is clearly in violation of all constitutional rights.

Mr. TRAMMELL. I was thinking that we would have to use one of these circuitous routes, of course, for enforcing it.

Mr. WAGNER. This is not a circuitous route. This is direct.

Mr. TRAMMELL. But in a great many other instances, when some individual Senators want to enforce something about which there is a question from a legal standpoint, they seem to devise just a little pressure here and there; and, the first thing we know, we have a situation where they succeed in getting what they desire.

I would plead for an ingenuity on behalf of the farmers equal to that exercised for the benefit of other interests.

I believe this proposal could be worked out along the line of my amendment. Of course this is a practice that exists to quite an extent in private business. I have known of bankers who have readjusted and restated accounts,

thinking it was better both for the bank and for the debtor to have a readjustment.

I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Florida to the amendment of the Senator from New York.

The amendment to the amendment was rejected.

Mr. WHEELER. Mr. President, I send to the desk an amendment which is to be offered on behalf of the Senator from Utah [Mr. KING] and myself, to strike out, on page 4, paragraph (2), the words beginning "By proclamation", on line 20, down to and including the words "foreign currencies", in line 24, and to insert certain language in lieu thereof.

The PRESIDING OFFICER. Is that amendment offered to the pending amendment?

Mr. WHEELER. No; I offer this as an amendment to the so-called "Thomas amendment."

The PRESIDING OFFICER. That is not under consideration at this time.

Mr. WHEELER. Out of order, then, I ask to offer this amendment.

The PRESIDING OFFICER. The Senator from Montana asks that he may offer this amendment and have it printed and lie on the table to await the consideration of the Thomas amendment. Without objection, it is so ordered.

The amendment of the Senator from New York [Mr. WAGNER] is still before the Senate and open to amendment. Are there any further amendments to be offered to it?

Mr. THOMAS of Oklahoma. Mr. President, I am advised that there is now pending on the desk of the Presiding Officer the amendment offered by myself on yesterday and thereafter referred to the Committee on Banking and Currency. I am advised that the Banking and Currency Committee has made a report. At this time I call for the report submitted by the committee upon the amendment.

The PRESIDING OFFICER. The Chair is advised that the report is not available at the moment. It will be available in a short while. Does the Senator desire to offer his amendment as an amendment to the pending Wagner amendment?

Mr. THOMAS of Oklahoma. No; I offer it as part VI.

The PRESIDING OFFICER. It is not in order until the Senate disposes of the amendment that is now pending. The Chair understood that it was to be offered, not as an amendment to this amendment but as an independent amendment.

Mr. THOMAS of Oklahoma. The Chair is correct, and at the proper time I will call up the amendment.

The PRESIDING OFFICER. The Chair will be glad to recognize the Senator from Oklahoma. The amendment which is now pending, known as the "Wagner amendment", should be disposed of first.

Mr. FRAZIER. Mr. President, I offer as a substitute for the so-called "Wagner amendment", as a substitute for title II, the amendment which I send to the desk. I do not care to have it read unless that is required. It is a measure that I have introduced in the last three sessions of the Congress.

The PRESIDING OFFICER. Without objection, the amendment will be considered without being read.

Mr. FRAZIER's amendment was, on page 27, beginning with line 7, to strike out through line 5 on page 43, and to insert in lieu thereof the following:

TITLE II

SEC. 21. This title shall be known as "The Farmers' Farm Relief Act."

SEC. 22. That the Government now perform its solemn promise and duty and place American agriculture on a basis of equality with other industries by providing an adequate system of credit, through which farm indebtedness and farm mortgages now existing may be liquidated and refinanced, through real-estate mortgages on the amortization plan, at 1½ percent interest and 1½ percent principal per annum, and through mortgages on livestock used for breeding or agricultural purposes at 3 percent interest per annum through the use of the machinery of the Federal farm-loan system and the Federal Reserve Banking System.

SEC. 23. The Federal Farm Loan Board is hereby authorized and directed to liquidate, refinance, and take up farm mortgages and

other farm indebtedness, existing at the date of enactment of this act, by making real-estate loans, secured by first mortgages on farms, to an amount equal to the fair value of such farms and 50 percent of the value of insurable buildings and improvements thereon, through the use of the machinery of the Federal land banks and national farm-loan associations, and to make all necessary rules and regulations for the carrying out of the purposes of this title with expedition. In case such farm mortgages and other farm indebtedness to be liquidated and refinanced exceeds the fair value of any farm and 50 percent of the value of insurable buildings and improvements thereon, then such farm mortgages and indebtedness shall be scaled down in accordance with the provisions of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto. Such loans shall be made at a rate of 1½ percent interest and 1½ percent principal per annum, payable in any lawful money of the United States.

SEC. 24. The Federal Farm Loan Board is further authorized and directed to liquidate, refinance, and take up chattel mortgages and other farm indebtedness, existing at the date of enactment of this act, by making loans at the rate of 3 percent interest per annum, secured by first mortgages on livestock used for breeding or agricultural purposes, to an amount equal to 65 percent of the fair market value thereof, such loans to run for a period of 1 year, with right of renewal from year to year for a term of 10 years: *Provided*, That any depreciation in the value of such livestock is replaced by additional livestock used for breeding or agricultural purposes, and the amount of the loan is reduced 10 percent each year.

SEC. 25. There is hereby authorized to be appropriated, out of any money not otherwise appropriated, \$100,000 for the use of the Federal Farm Loan Board to carry out the provisions of this title. The necessary and actual expenses incurred in carrying out the provisions in this title shall be apportioned and prorated and added to each individual mortgage, and such sums so added shall be paid to the Federal Farm Loan Board for administrative purposes.

SEC. 26. The funds with which to liquidate and refinance existing farm mortgages and other farm indebtedness shall be provided by the issuing of farm-loan bonds by the Federal farm-loan system, through the Federal Farm Loan Board and the Federal land banks, as now provided by law, which bonds shall bear interest at the rate of 1½ percent per annum, if secured by mortgages on farms, and 3 percent per annum if secured by chattel mortgages on livestock used for breeding or agricultural purposes. These bonds, after delivery to the Federal Farm Loan Board, may, by it, be sold at par to any individual or corporation, or to any State, National, or Federal Reserve bank, or to the Treasurer of the United States. And it shall be the duty of the Federal Reserve banks to invest their available surplus and net profits after the dividends are paid to their stockholders in such farm-loan bonds, such profits to include the franchise tax now paid to the United States.

SEC. 27. In case all of said farm-loan bonds are not readily purchased, then the Federal Farm Loan Board shall present the remainder to the Federal Reserve Board, and the Board shall forthwith cause to be issued and delivered to the Federal Farm Loan Board Federal Reserve notes to an amount equal to the par value of such bonds as are presented to it. Such farm-loan bonds to be held by the Federal Reserve Board as security in lieu of any other security or reserve.

SEC. 28. The Federal Farm Loan Board and the Federal land banks shall turn over all payments of interest and principal on such farm-loan bonds, for which the Federal Reserve Board issues Federal Reserve notes to the Treasurer of the United States, and shall be by him kept for the purpose of redeeming said Federal Reserve notes and reinvested by him as a sinking fund in municipal or State bonds and bearing interest at the rate of at least 2 percent per annum, both principal and interest to be paid in any lawful money of the United States.

SEC. 29. Whenever the amount of money actually in circulation in the United States shall exceed \$75 per capita, then the Treasurer of the United States, by and with the approval of the Federal Reserve Board and the President of the United States, may retire Federal Reserve notes in an amount equal to the principal paid on farm-loan bonds, for which Federal Reserve notes were issued, not to exceed 2 percent in any one year, of the amount of Federal Reserve notes so issued.

SEC. 30. There is hereby created a Board of Agriculture consisting of one member from each State, elected by the farmers of such State, who shall be elected by delegates selected by a mass convention of farmers in each county or parish within the United States, who are indebted and declare it to be their intention to take advantage of this title, such county or parish convention to be its own judge as to who are bona fide farmers and otherwise eligible to participate in its proceedings.

SEC. 31. The Federal Farm Loan Board is hereby authorized and directed to give public notice, through the Federal land banks, to the farmers of each county or parish of the time and place of holding the first county or parish convention, which shall be held at the seat of government of each county or parish; and it shall at the same time give notice of the first convention of the State delegates, to be held at the State capital of each State, notice of such convention to be given within 60 days after the enactment of this act.

SEC. 32. The farmers attending such county or parish convention and the State delegates attending such State convention shall

organize and make such rules and regulations for their procedure as they deem necessary or convenient, and shall elect a president and a secretary and make arrangements for such other and future conventions as they may deem necessary to carry out the purposes of this title, and they shall at all times cooperate and assist the Board of Agriculture, the Federal Farm Board, the Federal land banks, and national farm-loan associations to liquidate and refinance farm mortgages and farm indebtedness.

Sec. 33. The State delegates so elected shall meet at the State capitals of their respective States and elect a member of the Board of Agriculture, who shall hold his office from the date of such election and for a period of 2 years from January 20 following, and who shall receive \$15 per diem and necessary traveling expenses while on official business, to be paid by the Federal Farm Loan Board out of any funds set apart by section 25 of this act.

Sec. 34. Immediately after their election the members of the Board of Agriculture, upon call of the Federal Farm Loan Board, shall meet at Washington in the District of Columbia and organize by electing a chairman and a secretary, and they shall make such rules and regulations as they deem necessary and expedient to carry out the purposes of this title. They shall elect an executive committee of three, none of whom shall be members of the Board of Agriculture, who shall hold their office at the will of said Board, and who shall receive a salary of \$7,500 per annum, and 5 cents per mile for necessary traveling expenses while on official business, to be paid by the Federal Farm Loan Board out of any funds set apart by section 25 of this act.

Sec. 35. The members of the Board of Agriculture shall keep in touch with and report to the executive committee the progress of liquidating and refinancing farm mortgages and farm indebtedness in their respective States. They shall cooperate with county or parish and State governments, and with all farm and cooperative organizations within their respective States, to speedily bring about the liquidation and refinancing of farm mortgages and farm indebtedness.

Sec. 36. The executive committee of the Board of Agriculture shall advise with and supervise the work of liquidating and refinancing farm mortgages and farm indebtedness by the Federal Farm Loan Board and the Federal Reserve Board, and they shall cooperate with said Boards and with county or parish and State governments and with the various farm organizations, and with the agricultural colleges of the Nation, in order to bring about a just and speedy liquidation and refinancing of farm mortgages and farm indebtedness. They shall report any member of the farm-loan system or the Federal Reserve Board who neglects, hinders, or delays the carrying out of the provisions of this title to the President of the United States, and it shall be the duty of the President, upon cause shown, to remove any such officer and to appoint some other suitable person in his place with the advice and consent of the Senate.

Sec. 37. The benefits of this title shall also extend to any farmer, or member of his family, who lost his farm through indebtedness or mortgage foreclosure since 1919, and who desires to purchase the farm lost or another farm. It shall also extend to any tenant, or member of his family, who desires to purchase a farm, provided he has lived on and operated a farm as a tenant for at least 3 years prior to the enactment of this act.

Sec. 38. The executive committee of the Board of Agriculture shall have power in case of crop failures, and in other meritorious cases, to extend the time payments due on loans made under this title from time to time for a period not exceeding 3 years, provided the mortgagor keeps up the payment of all taxes on the mortgaged property.

Sec. 39. This title shall be liberally construed, and no technicalities or limitations shall be imposed or permitted to interfere with the speedy carrying out of its purposes; and the provisions of the Federal farm-loan system and the Federal Reserve Banking System shall apply as far as applicable in the carrying out of the provisions of this title; and all laws or parts of laws in conflict herewith are for the purpose of this title repealed. The persons charged with the duty of carrying out the provisions of this title are authorized and directed to do all things necessary or convenient to accomplish its purposes with expedition.

Mr. FRAZIER. Mr. President, in the Seventy-first Congress a bill which was practically the same as this amendment was known as "S. 5109." In the Seventy-second Congress it was known as "S. 1197." It was introduced again at the beginning of this Congress as S. 457. I offer it as a substitute for the Wagner amendment.

Mr. McNARY. Mr. President, this amendment has the endorsement of the farm organizations. It is a very comprehensive measure. It has been reported out favorably by the Agricultural Committee. The Senator from North Dakota is now offering it as an amendment to the pending bill and it should receive very thorough consideration.

I want to appeal to the Senator from Arkansas to move a recess at this time and let this amendment be considered tomorrow.

Mr. ROBINSON of Arkansas. Mr. President, I think it may be possible to arrange an agreement that will enable the Senate to recess now. I understood from the Senator

presenting the amendment that he preferred to proceed with it tomorrow. If we can recess until 11 o'clock tomorrow and have a vote on this amendment not later than 1 o'clock, I shall have no objection to taking a recess now.

Mr. FRAZIER. I have no objection to that.

Mr. McNARY. Mr. President, I shall conform to the judgment of the Senator who offers the amendment. If he thinks 2 hours is ample time for the consideration of the amendment, I have no objection.

Mr. ROBINSON of Arkansas. Mr. President, I ask unanimous consent that when the Senate completes its labors today, it take a recess until 11 o'clock tomorrow, and that not later than 1 o'clock tomorrow the Senate proceed to vote, without further debate, on the amendment of the Senator from North Dakota [Mr. FRAZIER].

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas? The Chair hears none, and it is so ordered.

Mr. CONNALLY. Mr. President, I desire to enter a motion to reconsider the vote by which the amendment putting sugar into the bill was adopted.

Mr. LONG. Mr. President, a point of order. There was a roll call and the Senator from Texas did not vote on the prevailing side.

Mr. CONNALLY. Mr. President, I will state that the Senator from Texas was not in the Chamber and did not vote on the matter at all.

The PRESIDING OFFICER. The Senator has a right to enter the motion.

Mr. LONG. Mr. President, does the Chair rule that if a Senator is not here when a matter is voted on he can come in later and move to reconsider?

The PRESIDING OFFICER. Yes; the Chair so rules.

Mr. LA FOLLETTE. The rule specifically provides for that.

Mr. LONG. The time limit on that was up yesterday.

The PRESIDING OFFICER. No; the Senator is mistaken about that.

Mr. LONG. I should like to have that question looked up. The rule, as I understand it, is very plain that a Senator must have voted on the prevailing side.

The PRESIDING OFFICER (Mr. BARKLEY in the chair). The question has been decided by the Senate. Rule XIII provides:

Any Senator voting with the prevailing side or who has not voted may, on the same day or on either of the next 2 days of actual session thereafter, move a reconsideration.

The Chair holds that the Senator from Texas is within his rights. The motion will be entered.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER, as in executive session, laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

THE BASIC ISSUE IN RECOGNITION OF SOVIET RUSSIA

Mr. COPELAND. Mr. President, I ask unanimous consent to insert in the RECORD an address of the Rev. Dr. Edmund A. Walsh, Ph.D., Vice President of Georgetown University, April 18, 1933, on the subject "The Basic Issue in Recognition of Soviet Russia."

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

Mr. Commander, ladies, and gentlemen, recognition of the Soviet Union ultimately and basically is not a question of repudiated debts or confiscated property or Communists on soap boxes in Union Square, as that distinguished tribune of the people, Mr. Alfred E. Smith, visualizes the problem in his recent statement advocating recognition of the Moscow Government. Mr. Smith exercises a well-merited influence, and his opinions on domestic policies command the confidence of a very wide constituency of Catholics, Protestants, and Jews. But I feel obligated to make clear to you, in a very limited time, why his Russian views are not shared by so many American citizens of his own faith who see eye to eye with him in most other respects.

Two civilizations diametrically opposed in their principles, their practices, and their objectives come face to face before the su-

preme tribunal of public opinion in a manner that has no precedent in international relations. The form of government which Soviet Russia would impose by force on the entire world is too well known to need rehearsal here. Suffice it to say that it proposes, as a government policy, to abolish universally every shred of the democratic ideal embodied in the Declaration of Independence, the Constitution of the United States, and the Bill of Rights. That is the plain meaning of section 1, paragraph 9, of the Soviet constitution, which affirms that what has been accomplished in Russia is a "decisive step toward the union of the toilers of all countries into one world Soviet Socialist Republic." Paragraph 7, same section, declares Soviet jurisdiction to be "international in its class character." Article 72 of that same constitution—not article 72 of the Communist Party nor the reiterated articles of provocation sponsored by exuberant individual Communists but article 72 of the organic law of a sovereign state provides in judicial language that the capital of this contemplated Socialist league of nations shall be the city of Moscow. And, further, specific pronouncements by responsible Soviet officials explain that this conquest of all non-Communist states is to be achieved by force of arms. Moscow is not content to live and let live.

Nor is this hostility merely academic or theoretical. It has been reduced to concrete form in the two practical agencies which the Communist Party of Russia created after the second Russian revolution. The domestic instrument contrived to insure the permanency of Marxian communism on Russian soil is called the Soviet Government, which becomes thereby, in Mr. Zinoviev's celebrated phrase, a sort of fifth wheel. The external apparatus for the conquest of the non-Communist world is called the Third International. Both are the direct creations and active agents of the political bureau of the Communist Party. These two agencies of world revolution are, in the words of Ramsay MacDonald, "organically connected." The nations of the world have refused to accept the stale pretext that the Third International is a private organization over which the Soviet Government has no control. It is not a private organization and never was. It was founded by responsible officials of the Soviet Government while holding office, was convoked by the official Soviet telegraph agency, its first meetings were held in a Government building within the Kremlin, and its revolutionary program published in the official state organ, *Izvestia*, on January 24, 1919. Its subversive activities from that date to this are matter of public record.

We have never questioned nor do we now question the right of the Russian people to set up any form of government they see fit to endure. All such accusations are either sheer ignorance or malicious attempts to deceive the simple-minded. We were the first nation in the world to recognize the Russian revolution by extending full diplomatic recognition to the new government on March 22, 1917, 1 week after the abdication of Nicholas II. What we do question and refuse to tolerate is the insupportable arrogance of the Communist Party, which came into power on November 7, 1917, and which assumes to dictate to us the form of government we shall have in these United States. Our motive is not fear, which is the only justification some advocates of recognition can find for our present policy. The motive is self-respect and a decent regard for sovereignty under international law.

Rightly, then, has the Government of the United States refused to compromise with those two allied agencies—the Soviet Government and the Third International—refuses categorically and without reservation for the very reasons once advanced by a distinguished American lawyer trying a case of conspiracy. He argued that in any common pact directed against public security, the act of one member is the act of all, and the guilt of all is the guilt of each after the conspiracy is formed. "In other words," he explained to the jury, "if you and I join together for the doing of an unlawful act, the fact that you may remain 10 miles away while I go and commit the crime does not relieve you either legally or morally or exempt you from punishment." So argued Senator WILLIAM E. BORAH when he so ably defended the people of his State against organized lawlessness at Wallace, Idaho, on July 27, 1899, and won his case. He has since become the most outstanding of those who advocate immediate recognition of Soviet Russia. Extraordinary lapse of memory!

With his habitual disregard for the actualities in the case, Senator BORAH made another speech in the Senate on April 11, this year, in which he assured that body that he had made extensive research into the question of Soviet hostility to the United States and was able to report:

"* * * That there has never been since Mr. Stalin became Dictator of the Russian Government any attempt whatever upon the part of the Soviet Republic to interfere with the governmental affairs of the United States or to seek by propaganda to interfere with the governmental affairs of this country. * * * In my opinion the charge that the Soviet Government is seeking to undermine or destroy our Government is an exploded and absurd proposition."

I greatly fear that the investigations of the distinguished Senator must have been interrupted by a roll call. He overlooked the easily ascertained fact that on May 6, 1929, there was held in Moscow a meeting of the so-called "American Commission of the Third International." Mr. Stalin pointed out at great length to the visiting delegates from the United States the most efficacious means for drawing revolutionary profit from the prevailing economic crisis in their homeland. In other words, the ruler of the Soviet Government, while encouraging his American agents in their use of purring platitudes and honeyed phrases calculated to

obtain diplomatic recognition of the Soviet Union, drops the mask in Moscow and instructs his American visitors thus:

"I think, comrades, that the American Communist Party is one of those few Communist Parties in the world upon which history has conferred a task of a decisive character from the viewpoint of the world revolutionary movement. * * * The crisis of world capitalism is developing at an increased speed and is bound to extend also to American capitalism. * * * It is necessary that the American Communist Party should be able to meet this historical moment fully armed, and to take the lead in the coming class battles in America. * * * With this end in view the American Communist Party must be improved and bolshevized. * * * With this end in view we must strain our efforts to forge genuinely revolutionary groups and genuinely revolutionary leaders of the proletariat who would be able to lead the many millions of the American labor classes into the revolutionary class battles."

This speech, suppressed for some time, was published in Moscow on January 15, 1930, long after Mr. Stalin became Dictator of Soviet Russia. If that be a sample of Mr. BORAH's capacity for research, I know of no reputable university that would award him a Ph.D. on it. And in common with many other incomplete thinkers he appeals to the historic precedent that we recognized the French Revolution despite the inflammatory language and internationalism of its leaders. Similarly, the argument is often advanced that we recognized the Russian Czars, recognized the Turks, Mussolini, and Hitler, despite the fact that we are utterly opposed to many of the political ideals and practices of their respective systems. Gentlemen, these are partial statements; and the lie that is half a truth is the hardest lie to combat. Recognitionists who press this argument are either uninformed or malicious. They suppress the vitally important fact that none of these foreign powers has set up in its capital city an organization for the purpose of overthrowing foreign governments; their leaders launch no invitation to nationals of other countries to wage civil war against the authorities of their respective lands; none of these powers has so flagrantly offended international friendship that its ministers and ambassadors have been expelled from numerous states whose patience and long suffering became exhausted. When Citizen Genet anticipated some of the forms of soviet diplomacy in 1794 he was promptly withdrawn by the French Revolutionary Government on demand of Washington. And should Mr. Mussolini or Mr. Hitler conduct their international relations as Mr. Stalin does, I am confident they would meet the same reception here that Mr. Stalin's government has met for 15 years.

And in his peroration, Senator BORAH made an appeal not to isolate Russia any longer, but to admit her to our councils as a contribution to international peace. But who built that Chinese wall, to which the recognitionists love to point, if not Russia herself by her wanton disrespect and contempt for international friendship? Nothing keeps her inside her self-imposed isolation except her highly cultivated, hysterical sense of martyrdom and her own perverse will which refuses to observe the most elementary rules of international decency. Let her check her razors at the door and she will be admitted to the party.

It has been argued, too, that the presence of an American ambassador in Moscow will tend to mollify Soviet excesses and give diplomacy a chance to restrain the unruly commissars. Ask the British Ambassador about that as he departs from Moscow after the premeditated insult flung into his teeth with reverse English, so to speak, that it might be sure to rebound into the face of a third foreign power for good measure. You will recall that Sir Esmond Ovey was recently informed by the Soviet Commissar of Foreign Affairs that he must not imagine he was in a place like Mexico. And ask Mexico herself why she withdrew her minister from Moscow in 1929 and severed diplomatic relations. Ask the French Government how Soviet ambassadors observe international courtesy. They were obliged to expel Mr. Rakovsky from Paris for launching an appeal, while Ambassador to France, counseling the French Army to rise in mutiny against their officers. Ask China why she expelled Karakhan, Soviet representative, in 1926 and what she found when she raided the quarters of the Soviet Legation!

But there are some in our midst who would sacrifice self-respect and public welfare in the sacred name of hypothetical trade and dubious export possibilities. Take the cash, they murmur, and let the credit go. Money has no odor and sweet is the music of falling shekels. Even on that shamefully mercenary basis of private profit, the argument still remains fallacious and puerile. In the one year of 1930, Soviet Russia purchased enormous supplies in this country, amounting to \$114,300,000, and that was done without recognition. Lack of recognition is no bar to trade. And recognition does not guarantee increase of trade. Her purchases have now dwindled to almost nothing simply because American banks grew alarmed about her heavy commitments and withdrew credit facilities.

In reprisal, the Soviet Government transferred its purchases to Germany, as it always can do in virtue of its foreign-trade monopoly, which is used as a political weapon to punish the nationals of any country that annoys Moscow's tender susceptibilities. I might observe in passing that Mr. Smith's description of American trade with Russia as being carried on "under cover" is, of course, a pure figure of speech or else unmitigated nonsense. It was and is the most open business on Broadway. It has never been prohibited by anybody. What Amtorg does under cover is doubtless important business, but of another kidney.

And how shall Moscow pay for the mirage of exports from our factories which the recognitionists conjure out of their distorted

imagination? In cash? She has none. She is hopelessly bankrupt. She is distrusted by the loaning powers whose memory of her wholesale repudiation of previous loans is still green. She is faced with domestic starvation, compromised internally by the unfulfilled promises of a fantastic 5-year plan, and reduced again to the sorry expedient of finding public scapegoats in sensational trials of foreign engineers who have been terrorized into making alleged confessions of economic espionage. Or, can she pay in goods by dumping the monopolized products of her forced labor into the free markets of America, there to depress instead of raising commodity prices? Ask the American Federation of Labor what that would do to the few jobs left for the American workman or the American farmer, and if they intend to submit tamely to it!

Therefore the alleged trade must be financed by new credits advanced by the banks and financiers who, as usual, will profit handsomely by this new raid on the people's hard-earned savings. If we may believe recent revelations, these philanthropists rarely use their own money for the flotation of foreign loans. It has been noted that the trade proposal, involving an extension of credit or a peddling of Russian bonds, is warmly advocated in those very financial circles which have forfeited the right to dictate public policy any longer. They had their heyday—and what a heyday it was! They were publicly scourged as convicted malefactors by President Roosevelt in his courageous inaugural address when he said:

"Faced by failure of credit they have proposed only the lending of more money. Stripped of the lure of profit by which to induce our people to follow their false leadership they have resorted to exhortations, pleading tearfully for restored confidence. They know only the rules of a generation of self-seekers. They have no vision, and when there is no vision the people perish. The money changers have fled from their high seats in the temple of our civilization. We may now restore that temple to the ancient truths. The measure of the restoration lies in the extent to which we apply social values more noble than mere monetary profit."

You will note, too, that those who clamor for an official trade agreement are strangely silent about the experiences of governments which have made such pacts. Why has Italy terminated her trade agreement? Because it proved wholly unsatisfactory and contrary to Italian expectations. Why did England, long before the present controversy, denounce her trade agreement? Because it proved harmful to the best interests of the British commonwealth of nations. These valuable experiences are ignored by those who would plunge us into the same unprofitable speculation. They ask us to accept an emasculated tragedy of Hamlet with no mention made of the Prince of Denmark. There are two ways of acquiring political wisdom—by foresight and by hindsight. Which shall we choose? And shall we listen to the insane proposals to appropriate millions for Russian trade from Government funds at a moment when 13,000,000 Americans are in danger of starvation while other millions of farmers and tenants are faced with foreclosure and eviction through lack of means to succor them?

I know that in some quarters it is being whispered that the increasingly dangerous situation in the Far East may force the United States Government into a compromise with Soviet Russia. Recognition, it is said, may become necessary as a gesture of prudence for purely political reasons that are too delicate for open discussion. I agree that it is not to the country's interest to analyze publicly those particular motives. I will limit myself, consequently, to recalling the parable of the kindly humanitarian who attempted the experiment of making a treaty of alliance with a rattlesnake to keep trespassers off his land. Fortunately for him, he discovered in time that the nature of his curious ally was fixed and unchangeable and that it would sink its fangs impartially into hands that caress or fists that menace. It knows neither friend nor foe, but only alien flesh. It will strike anything that is vulnerable.

Ladies and gentlemen, recognition is an act of national political expediency. There is no juridical right to recognition and no legal or moral obligation to recognize. In the present case there are positive grounds for refusing to recognize. American policy and practice have been governed by two considerations clearly set forth by that eminent jurist John Bassett Moore in his monumental *International Law Digest*:

(1) That the government seeking recognition shall be in de facto possession and control of the territory over which it claims jurisdiction without substantial revolt or opposition on the part of its population. We do not demand legitimacy of succession, nor do we inquire into the validity of the possessor's title.

(2) That the government in question shall be able and willing to perform its international obligations and conform to the usages accepted by the civilized nations of the world. Failure to conform to these obligations is cited by Judge Moore as sufficient grounds for refusing recognition.

That the present Soviet Government fulfills the first requirement is not questioned. That it still does not and will not accept that reasonable second requirement is matter of public record. Therefore, it seems to me that three courses are open to the Government of the United States. The first would be honorable recognition. By that I mean reciprocal diplomatic relations after proof of Moscow's willingness to desist from the unethical, the illegal, and utterly unacceptable hostility to non-Communist states which has been her undeniable practice heretofore. Written guaranties are useless. I say "proof" of such desisting, not promises. They have been consistently violated as he who cares

may read, and no new facts are available to indicate a change of essential policy in that regard. The acid test of Moscow's sincerity lies in her willingness or refusal to banish the Third International from her territory, disassociate herself from the offensive international conspiracy to which she is now partner, and respect the inalienable sovereign rights of other nations and governments. This should be accomplished before, not after, recognition, when the rose would have been plucked. An unparalleled opportunity lies before us for a magnificent service to peace and neighborly conduct among nations by vindicating the sanctity of international good manners to which President Roosevelt has definitely pledged his administration. If we default in that clear duty we shall have forfeited the respect of the world whose eyes are watching what we are about to do with our unique bargaining power. We have a manifest appointment with Opportunity that may make history. God grant that we be not in conference with the money changers when she knocks.

The second course is the reverse of the first. It would be dishonorable recognition, by which I mean acceptance of Soviet Russia's terms, which are: Recognize us as we are with no conditions or reservations except the guaranty of a substantial loan and with full scope for our particular form of international friendship. What that is you will find in the writings of Lenin and in the record of our dealings with other governments.

The third course would be simply continued nonrecognition as America's answer to the continuance under Soviet auspices and direction of the Third International. That is the logical consequence of America's traditional recognition policy. The burden of the proof and the first step to friendship rests with Moscow. No commission to Russia or round-table conference is needed for that. She opened the breach. She is continuing the breach, and she alone can close it. Do not be misled by the subtle sophistry of pseudo liberals, the emotionalism of the misinformed, and the sordid propaganda of dollar chasers.

Last Wednesday night in the Metropolitan Opera House, New York, that venerable comedian, Mr. George Bernard Shaw, put on a 1-ring circus again in which he garrulously committed intellectual suicide. Peace to the memory of the great preface writer and defender of Joan of Arc! Among his numerous pitifully ignorant inaccuracies he did stumble, however, on one rough nugget of truth as he laboriously drove a very dull plow through old, old ground. It was the United States, he argued, in the person of American efficiency engineers who saved the tottering Soviet regime by their skill, their technical services, and their wide cooperation in the execution of the 5-year plan. Shall we now gratuitously save that unspeakable tyranny a second time and rivet the yoke of despotism tighter to the bent back of an oppressed peasantry by tendering their masters the support of diplomatic recognition? Or shall we not wait until the hand of friendship can reach across the barrier of hatred erected by the political bureau and the Third International to the friend for whom it is intended and to whom it has never been denied—the Russian people!

THE MOST PROFITABLE INVESTMENT OF THE FEDERAL GOVERNMENT

Mr. CAPPER. Mr. President, I ask permission to place in the RECORD extracts from an informative article in *Science Magazine*, by Watson Davis, managing editor of *Science Service*, under the title "The Most Profitable Investment of the Federal Government."

There are literally thousands of examples of the dollars and cents fruitfulness of Federal scientific research. For example, the conquest of hog cholera by serum developed by Federal scientists before the World War and now applied in cooperation with the States is estimated to save farmers and the public some \$20,000,000 a year. This is more than the whole cost of Department of Agriculture research.

If the coastal surveys made by Federal engineers did nothing more than save from disaster a modern vessel once in every 5 years, the whole cost of the Coast and Geodetic Survey would be met. Bureau of Standards researches on automobile fuel, oil, tires, and brakes alone repay to the public in savings over 50 times the whole cost of this research establishment with its multiplicity of useful functions. The development of cowling for airplane engines by the National Advisory Committee for Aeronautics, which is now in wide commercial use, is estimated to save some \$5,000,000 annually as applied to American airplanes. The cost of the committee is less than a sixth that saving.

[From *Science Service*, Apr. 14, 1933]

THE MOST PROFITABLE INVESTMENT OF THE FEDERAL GOVERNMENT

By Watson Davis, managing editor, *Science Service*

Scientific research conducted by the Federal Government is its most profitable investment. Among the millions and the billions for wars, past, present, and future, for post offices, for Congress, for prohibition enforcement, for Indians, for interest on the public debt, for Reconstruction Finance Corporation and other dollar transfusions to the financial structure, for relief, for reforestation,

there are items of a few thousands and hundreds of thousands of dollars for scientific research.

The United States Department of Agriculture scientists are finding new uses for familiar farm products, fighting soil erosion, improving livestock, protecting plants and crops, and safeguarding the ordinary consumer against bad food and drugs. In far-off China or the tropics, explorers of the Department roam to bring back strange plants that help our farmers. Within our country's borders, entomologists are combating the insect menace.

United States Geological Survey geologists are mapping and surveying the mineral domain that the machine age may not die of starvation. United States Coast and Survey ships and engineers are surveying our coasts to safeguard commerce and shipping.

Out in that group of Washington laboratories, not near the oratory of Congress, there are men and women of the United States Bureau of Standards staff studying the rainbow of chemical elements, developing new facts about heat, stressing steel and newer metals, perfecting standards, methods, and processes of incalculable value to industry and pursuing a thousand other useful scientific tasks.

Astronomers at the United States Naval Observatory observe the stars in order that our watches and clocks may have the correct time. Meteorologists of the United States Weather Bureau observe and forecast the weather for farmers, aviators, and city folks. United States Bureau of Mines engineers by experiments, practical and theoretical, safeguard and develop the mines of the Nation.

The appropriations for such scientific research functions of the Federal Government are the best investments made by the Government. The returns to the public in terms of percentage run to figures like 50,000 percent instead of the conventional 6 percent that bankers have popularized.

True, the profits do not flow back into the United States Treasury directly as dollars. The profits are made not by Uncle Sam but by the American public. That is fitting, for the business of the Government is not to make money but to undertake functions that benefit the whole people.

Scientific research is often a long-time investment, with the benefits going to our children and their children. It is a safe investment. Unlike bonds of maturity in the year 2000 or later, issued to pay for rails that even now are rusting away, the money spent for fundamental scientific research is a secure investment that will continue to pay public-service dividends down through the ages.

If you think of the Budget of the United States Government as a gigantic pie, the slice that is eaten to provide scientific research and service, which is perhaps the most profitable of its many activities, is so small that it can barely be seen. Of the Federal dollar less than seven eighths of a cent is expended for the constructive scientific research and service conducted to the profit of the whole Nation.

This eighty-five one hundredths of 1 percent (based on the 1931-32 expenditures) includes all the administrative, clerical, and other routine expenses in connection with the Government's scientific work. If the salaries of the scientists themselves and the money expended for apparatus, etc., were considered alone, the item would be much smaller—so minute that it would be difficult to find it among the millions upon millions of dollars that pass through Uncle Sam's pocketbook. Obviously the Federal Budget can never be balanced by eliminating any or all of the scientific work of the Federal Government.

The crippling of an essential scientific investigation or service here and another there may give a feeling of righteousness and go through the motions of cutting down Government expenditures, but it will not balance the Budget or materially lift the tax burden. The effect will be hardship on the farmer, the manufacturer, or the consumer in later years, when the much greater direct tax of undone scientific research will be felt.

Not only will the ultimate consumer and future generations lose but Uncle Sam himself will find his day-to-day routine governmental activities made more expensive if the scientists are fired. In addition to fundamental and applied scientific research, the Federal scientific bureaus perform tests that assure that the Government gets its money's worth in purchasing supplies, erecting buildings, etc.

If a total is obtained of all the money spent by the Government for all kinds of research, education, and developmental work, not just scientific research and service, it is found that only 2.7 percent of the United States' expenditures is accounted for. Who then eats Uncle Sam's Budget pie?

Wars, past and future, gobble 75.2 percent of the Federal Budget. Warships, soldiers, veterans, interest, and retirement of debts from past wars, and their incidentals consumed \$3,758,000,000 of the United States 1931-32 expenditures. Compare this cost of warfare and national defense with \$42,000,000 for scientific work, both research and service, in 1931-32. Of the 1934 Budget presented to Congress last fall, less than \$35,000,000 is devoted to scientific research and service.

The legislative, executive, and judicial functions of the Federal Government consumed 12.6 percent of the 1932 expenditures, and public works in 1931-32 were responsible for 9.5 percent of the expenditures.

Meeting the annual bill for profitable scientific research in the United States Budget is a relatively small matter from a financial standpoint. The complete elimination of the annual Federal investment in scientific research, which is unthinkable, would not help materially in "balancing the Budget." The annual per capita cost is only about 30 cents. The per capita cost of all Federal

Government activities runs from \$30 to \$40 per year, depending upon what year is taken.

You, as one of 120,000,000 Americans, make your profitable investment in Federal scientific research when you smoke five packages of cigarettes (Federal tax 6 cents a package), use 30 gallons of gasoline in your auto (Federal tax 1 cent a gallon), drink 2 gallons of beer (Federal tax \$5 a barrel of 31 gallons).

The total cost of scientific research and service in the many Government departments is estimated at \$34,768,000 in the 1934 Budget submitted to Congress last fall. Since then this Budget has been deeply cut, of course. The actual Federal science expenditures in the peak year 1931-32 were only about \$40,000,000.

This bill for some \$40,000,000, which will pay immense profits both now and to future generations, could be met by: The cost of a single modern transoceanic express steamer; the money needed to build four cruisers; one tenth of the annual United States tobacco tax; one third of the "pay of the Army", which does not include supplies or civilian hire expenditures of the United States Army; less than a tenth of the savings made by President Roosevelt in the veterans economy measures now being put into effect.

For Uncle Sam's annual investment in scientific research and service, for the 30 cents you as a citizen contribute indirectly each year, you and your children will get many dollars of real profit in everyday living, now and in the future. Figures show that typical research projects return profits of some 50,000 percent, that is, \$150 for your 30 cents. And the most beneficial returns are those that cannot be computed in mere dollars and cents.

Important in the progress of science have been the labors of scientists, working day after day for modest salaries in the Federal Departments of Agriculture, Commerce, Interior, etc., without avaricious thought of personal gain.

Industry has to a large extent been convinced by bountiful returns that applied scientific research pays and pays well. As income to industry rose after the World War, allotments for research increased, but not perhaps as rapidly as the increase in national income. And as the depression began to take its toll upon business, the research staffs were not fired but in most cases they were preserved and even strengthened.

There has been a new rush in research to create new products and materials to replace those affected by the depression, to develop new and cheaper methods of utilizing old materials and making staple articles. Costs have been held within limited budgets through the science and ingenuity of the research staff. Surveys made by the National Research Council show that industry is continuing to a large extent its scientific research activities.

In the reorganization of the Federal Government now in progress the same spirit should rule. The cost of all scientific research and its auxiliary services in the Federal Government is only about \$35,000,000 (based on 1934 Budget) and this is a mere fraction, seven eighths of 1 percent, of the total Budget.

In fact, all the educational, research and developmental work of the Government consumes only about 3 percent of the Federal cost. A smaller percentage is devoted to constructive education, research, and development work now than before the World War. In 1910, 5.1 percent was spent for "education, research, and development." In 1915 it was 5.4 percent. In 1920 it dropped to 1.3 percent, due to war costs. Since 1925 it has hovered between 2.5 and 3.2 percent.

Compare this with the national income of the whole Nation, not Government expenditures. Figures by the National Bureau of Economic Research show that the national income in 1910 and 1915 was \$31,000,000,000 to \$37,000,000,000 in round billions, whereas from 1925 to 1930 it varied from about \$80,000,000,000 to \$90,000,000,000.

APPOINTMENT OF JOHN COLLIER COMMISSIONER OF INDIAN AFFAIRS

Mr. FRAZIER. Mr. President, I ask unanimous consent to have printed in the RECORD an article appearing in the New York Sun of April 18, 1933, entitled "A Political Outsider Is About to Get His Red Men."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Sun, Apr. 18, 1933]

WHO'S NEWS TODAY—A POLITICAL OUTSIDER IS ABOUT TO GET HIS RED MAN

By Lemuel Parton

John Collier and Mary Austin have had a friendly struggle for many years to see who should get the American Indians. President Roosevelt finally awards them to Mr. Collier, in naming him Commissioner of Indian Affairs.

That's a bit extreme, of course, but if anybody is entitled to speak of "my Indians" it is Mr. Collier. For 20 years he has worked, fought, schemed, and dreamed for the Indians—their land, water rights, pensions, food, health, recreation, vital statistics, their culture, ethnology and art, and all the above appurtenances of their cousins and their aunts.

Politically he is a rank outsider. All the winds of patronage were set dead against him. The puissant Senators, THOMAS and GORE, of Oklahoma—where dwell nearly one half of the American Indians—whetted their knives. Senator ROBINSON of Arkansas advanced a politically orthodox candidate. Land, oil, and water

companies did everything but offer a bounty for his skin. Albert B. Fall, former Secretary of the Interior, used to bark like a coyote at the mention of his name. Yet here he is, slipping in under the tepee, politically speaking.

Secretary Ickes not only certifies him, but it is understood that it was he who urged his appointment on the President. The real Battle of the Big Horn will come on the issue of his confirmation by the Senate. In behalf of his Indians Mr. Collier has stirred up much powerful enmity.

Striding along a country road in Marin County, Calif., I have repeatedly tried to divert Mr. Collier's mind from Indians. It can't be done. He is a long-legged, somewhat humorless Savonarola, blazing with zeal for the Red Man, haranguing, pleading, denouncing, organizing, writing, speaking for many years as secretary of the American Indian Defense Association. New York bred, he dabbled in left-wing belles-lettres and was director of Cooper Institute here for a year. The new law on social reform after the war left him with unused zeal which he directed toward Indian welfare. He has fought courageously and uncompromisingly.

RECESS

Mr. SMITH. I move that the Senate take a recess until tomorrow at 11 o'clock.

The motion was agreed to; and the Senate (at 5 o'clock and 47 minutes p.m.) took a recess until tomorrow, April 22, 1933, at 11 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate April 21 (legislative day of Apr. 17), 1933

AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY

Sumner Welles, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Cuba.

FIRST ASSISTANT SECRETARY OF THE INTERIOR

Theodore A. Walters, of Idaho, to be First Assistant Secretary of the Interior, vice Joseph M. Dixon.

MEMBER OF THE FEDERAL FARM BOARD

Francis Winfred Peck, of Minnesota, to be a member of the Federal Farm Board for the unexpired portion of the term of 6 years from June 15, 1930.

REGISTER OF THE LAND OFFICE

Thomas F. Thomas, of Utah, to be register of the land office at Salt Lake City, Utah, vice Eli F. Taylor.

DIRECTOR OF THE UNITED STATES COAST AND GEODETIC SURVEY

Raymond S. Patton, of Ohio, to be Director of the United States Coast and Geodetic Survey for a term of 4 years, beginning April 29, 1933, vice himself.

HOUSE OF REPRESENTATIVES

FRIDAY, APRIL 21, 1933

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

Blessed Father, who dwelleth in the heavens above and in the hearts of Thy believing children, lay Thy hand upon these energies of ours and more and more build them up and purify them; convert them to growing affection, sacrifice, and devotion for the good of the public weal. Give us such a measure of Thy spirit that shall disturb us with the joy of elevated thoughts and motives. O strong Teacher of Nazareth, take away all barren desires and mold our characters into Thine own image. May each of us be for our brother as Thou art the Father of us all. We pray that Thou wouldst rule over our people that loyalty, fidelity, and cooperation may prevail for one goal—the promised land of peace, happiness, and contentment. Amen.

The Journal of the proceedings of yesterday was read and approved.

THE STOP-ALIEN REPRESENTATION AMENDMENT

Mr. COX. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting an address made by my colleague [Mr. TARVER] this morning over the radio.

The SPEAKER. Is there objection to the request of the gentleman from Georgia [Mr. Cox]?

There was no objection.

Mr. COX. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address by my colleague, Hon. M. C. TARVER, of Georgia, on stop-alien representation amendment, broadcast over station WJSV, Washington, April 21, 1933:

Few people would insist, as a matter of primary justice, that those who are not citizens of a country should exercise any control over its government, directly or indirectly. The stop-alien representation amendment, introduced in the Senate by Senator CAPPER and by myself in the House, proposes to allow the people of this Nation, through their legislatures, to say whether they are satisfied to have continued an absurd situation by which a tremendous alien population has representation in Congress and power in the allocation of electors for President and Vice President. A brief explanation of why this is true is a necessary preliminary to further discussion.

The Fifteenth Census shows that at the time it was taken 122,093,455 people resided in the States of the Union, excluding Indians not taxed, and not including the population of the District of Columbia. By the Reapportionment Act of 1929, and prior laws, each State became entitled beginning March 4, 1933, to one Representative in the lower House of Congress for each population unit of 279,712, or major fraction thereof. That figure was slightly less than that obtained by dividing the entire population by 435, the total Membership of the House, which is 280,674, but was the figure it was necessary to adopt as the basic unit in order that each State might have one Congressman for each unit of population, or major fraction, and the Membership of the House remain at 435.

The census shows, however, that of the total mentioned only 115,808,842 were found to be citizens of this country. Therefore, 6,284,613 who were citizens of foreign governments were in effect accorded representation in the Congress of the United States, in that they were counted in determining the number of Representatives to which a State should be entitled in the lower House. In addition to that they were accorded an influential part in the selection of a President and Vice President, since the number of a State's votes in the Electoral College is determined by the number of its Representatives and Senators.

There is a strong belief on the part of many patriotic organizations, and, I think, upon the part of a large majority of our people generally, that this is an unfair situation. We recognize no basic moral right on the part of subjects of any foreign government, who owe and profess no allegiance to our own, to representation either in our national law-making body or in the selection of our President and Vice President. The fact that they are not allowed to vote does not alter the situation. Their numbers increase the congressional representation of the States in which they reside, giving them a power disproportionate to the numbers of their citizens, to the disadvantage of States whose alien population is small; and congested as they usually are in certain restricted areas, such as what is known as "Little Italy" in New York City, they furnish the population basis upon which their naturalized countrymen, residing in the same area, and actuated by the same ideas and beliefs, are permitted to elect Congressmen and select electors for the election of a President. The injustice extends further than the disproportionate power between the States; it causes the setting up within the States of congressional districts based on alien population, where far-different district lines would be necessary if only citizens were counted, and subjects American citizens living within those areas to the domination of foreign elements.

It is unfortunate that the question cannot be discussed intelligently without referring to particular States and localities within States. It is unquestionably desirable that issues relating to the fundamental law of the land should be viewed from the firm standpoint of right and justice without regard to the effects upon certain localities of decisions one way or the other. It is also desirable that there should be eliminated from consideration a great many arguments, pro and con, which have been injected from time to time into discussions of this matter.

The stop-alien representation amendment should not be proposed, ratified, nor rejected upon the basis of misinformation or prejudiced and unfair arguments.

The effect of the proposed amendment excluding aliens from the count in determining congressional representation would not be so drastic as has by some been suggested. Without entering into an unnecessary discussion of dry figures, it is sufficient to point out that if over 6¼ million aliens are excluded from the count, the population basis of congressional representation will be reduced under the major-fractions plan from 279,712 to 267,207, so that the States without a disproportionate share of alien population will not lose a single Congressman. It is sometimes thoughtlessly argued that because the number of aliens represents 22 times the population unit for congressional representation, 22 congressional seats would shift from certain States to other States because of the adoption of the proposed amendment. There is no merit at all in such arguments. Only 7 congressional seats would shift from one State to another. California, Connecticut, Massachusetts, and Washington would lose 1 each; New York would lose 3. Wisconsin, although it has

the large alien population of 122,603, would actually gain a seat instead of losing one; and other gains of 1 each would be made by Alabama, Georgia, Kentucky, Mississippi, North Carolina, and Tennessee. Illinois, with an alien population of 451,533, would not lose a single Representative, occasioned by the fact that with a population of 7,630,388 it now has a minor fraction of 78.164 above the necessary population for 27 Congressmen; and in the exclusion of its aliens from the count and the adoption of the new and reduced population unit of 267,207 it would have a major fraction of 231,473 over 26 units and would therefore continue to have 27 Congressmen. Yet how great and how beneficial would be the effect upon the rights of American citizens residing in Illinois if congressional district lines should be changed so as to include within each district approximately the same number of American citizens, disregarding the almost half million aliens, living largely in congested areas, in determining where these lines should run.

It would necessarily increase the representation of the American citizens living in Illinois, and take away from largely alien constituencies where naturalized citizens hold the balance of power under present conditions the right to have Representatives in the United States Congress. It is a very serious mistake to consider this question solely from the standpoint of changes that might be effected in representation as between the States. Changes that would be effected in power of selection of their Representatives by American citizens within the States would perhaps transcend that feature in importance.

As an evidence of how the people of a State, even a State as vitally concerned as New York, with its 1,497,525 aliens, feel about this question when it can be dissociated from all sectional considerations, I quote a provision of the Constitution of New York relating to the selection of its State assemblymen:

"The members of the assembly shall be chosen by single districts and shall be apportioned by the legislature at the first regular session after the return of every enumeration among the several counties of the State, as nearly as may be according to their respective inhabitants, excluding aliens."

In other words, the State of New York, viewing the matter as one of moral right, decides in the formation of its constitution that aliens should not be represented in its legislature. If that be true, why should they be represented in the Congress of the United States? Why should they be represented in determining the number of electoral votes that shall be allowed a State?

Many arguments have been advanced based upon the possible effect of the proposed stop-alien representation amendment upon the decision of various national issues. These are only incidentally interesting. If we concede the alien's right to representation, we concede his right to have representatives, and the very name of representative implies that he must be the agent of his constituency, speaking their views and voicing their ideals; and if those views and ideals do not accord with ours, we have no right to complain. We cannot, therefore, properly examine the views of alien constituencies in determining their right to representation in Congress. The root of the matter lies deeper than that. I insist that a man owing allegiance to a foreign government, whose duty in case of conflict with our Government would be to stand against our flag, even though his character be spotless and his ideals as pure as those of an angel in heaven, has no right to have a representative participate in making the laws for this Nation or in the selection of its President and Vice President. That question ought to be decided without regard to whom it will help or hurt, what legislation it will further or retard, what locality may benefit or suffer, but with the sole purpose to accord to American citizens the right to control their own Government and to have a National Legislature representative of them, and of them only. And if determined on that basis, I have no question but that the stop-alien representation amendment will be approved by the Congress and ratified by the States.

PAN AMERICANISM

Mr. IGLESIAS. Mr. Speaker, I ask unanimous consent to extend my remarks by inserting in the RECORD a speech delivered by the President of the United States on Pan American Day.

The SPEAKER. Is there objection to the request of the Delegate from Puerto Rico?

There was no objection.

Mr. IGLESIAS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech delivered by the President of the United States on Pan American Day:

ADDRESS OF PRESIDENT ROOSEVELT AT THE SPECIAL SESSION OF THE GOVERNING BOARD OF THE PAN AMERICAN UNION ON THE OCCASION OF THE CELEBRATION OF PAN AMERICAN DAY, APRIL 12, 1933

I rejoice in this opportunity to participate in the celebration of Pan American Day and to extend, on behalf of the people of the United States, a fraternal greeting to our sister American Republics. The celebration of Pan American Day in this building, dedicated to international good will and cooperation, exemplifies a unity of thought and purpose among the peoples of this hemisphere. It is a manifestation of the common ideal of mutual helpfulness, sympathetic understanding, and spiritual solidarity.

There is inspiration in the thought that on this day the attention of the citizens of the 21 Republics of America is focused on the common ties—historical, cultural, economic, and social—which bind them to one another. Common ideals and a community of interest, together with a spirit of cooperation, have led to the realization that the well-being of one nation depends in large measure upon the well-being of its neighbors. It is upon these foundations that Pan Americanism has been built.

This celebration commemorates a movement based upon the policy of fraternal cooperation. In my inaugural address I stated that I would "dedicate this Nation to the policy of the good neighbor—the neighbor who resolutely respects himself, and, because he does so, respects the rights of others—the neighbor who respects his obligations and respects the sanctity of his agreements in and with a world of neighbors." Never before has the significance of the words "good neighbor" been so manifest in international relations. Never have the need and benefit of neighborly cooperation in every form of human activity been so evident as they are today.

Friendship among nations, as among individuals, calls for constructive efforts to muster the forces of humanity in order that an atmosphere of close understanding and cooperation may be cultivated. It involves mutual obligations and responsibilities, for it is only by sympathetic respect for the rights of others and a scrupulous fulfillment of the corresponding obligations by each member of the community that a true fraternity can be maintained.

The essential qualities of a true Pan Americanism must be the same as those which constitute a good neighbor, namely, mutual understanding and through such understanding a sympathetic appreciation of the other's point of view. It is only in this manner that we can hope to build up a system of which confidence, friendship, and good will are the cornerstones.

In this spirit the people of every republic on our continent are coming to a deep understanding of the fact that the Monroe Doctrine, of which so much has been written and spoken for more than a century, was and is directed at the maintenance of independence by the peoples of the continent. It was aimed and is aimed against the acquisition in any manner of the control of additional territory in this hemisphere by any non-American power.

Hand in hand with this Pan American doctrine of continental self-defense, the peoples of the American republics understand more clearly, with the passing years, that the independence of each republic must recognize the independence of every other republic. Each one of us must grow by an advancement of civilization and social well-being and not by the acquisition of territory at the expense of any neighbor.

In this spirit of mutual understanding and of cooperation on this continent you and I cannot fail to be disturbed by any armed strife between neighbors. I do not hesitate to say to you, the distinguished members of the governing board of the Pan American Union, that I regard existing conflicts between four of our sister Republics as a backward step.

Your Americanism and mine must be a structure built of confidence, cemented by a sympathy which recognizes only equality and fraternity. It finds its source and being in the hearts of men and dwells in the temple of the intellect.

We all of us have peculiar problems, and, to speak frankly, the interest of our own citizens must, in each instance, come first. But it is equally true that it is of vital importance to every nation of this continent that the American governments, individually, take, without further delay, such action as may be possible to abolish all unnecessary and artificial barriers and restrictions which now hamper the healthy flow of trade between the peoples of the American republics.

I am glad to deliver this message to you, gentlemen of the governing board of the Pan American Union, for I look upon the Union as the outward expression of the spiritual unity of the Americas. It is to this unity, which must be courageous and vital in its element, that humanity must look for one of the great stabilizing influences in world affairs.

In closing may I refer to the ceremony which is to take place a little later in the morning at which the government of Venezuela will present to the Pan American Union the bust of a great American leader and patriot, Francisco de Miranda. I join with you in this tribute.

EXTENSION OF GASOLINE TAX—MODIFICATION OF POSTAGE RATES

Mr. McCLINTIC. Mr. Speaker, I desire to announce that I was excused from attendance yesterday on account of being at the White House, and if I had been present I would have voted "aye" on the tax measure.

TERM OF SERVICE OF PRESIDENT AND VICE PRESIDENT AND MEMBERS OF CONGRESS

The SPEAKER laid before the House a communication from the Governor of the State of Iowa announcing ratification by the legislature of that State of the twentieth amendment to the Constitution of the United States.

MUSCLE SHOALS

Mr. O'CONNOR, from the Committee on Rules, submitted the following privileged report (H.Res. 111, Rept. No. 50) on the bill (H.R. 5081) for printing under the rule:

House Resolution 111

Resolved, That immediately upon adoption of this resolution the House shall proceed to the consideration of H.R. 5081, and all points of order against said bill shall be considered as waived. That after general debate, which shall be confined to the bill and shall continue not to exceed 6 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Military Affairs, it shall be in order for the chairman of the Committee on Military Affairs by direction of that committee to offer amendments to any part of the bill. If there be no such amendments offered by the chairman of the Committee on Military Affairs, then the previous question shall be considered as ordered on the bill to final passage without intervening motion except one motion to recommit.

THE ST. LAWRENCE WATERWAY

Mr. O'CONNOR, from the Committee on Rules, submitted the following privileged report (H.Res. 112, Rept. No. 51) on the resolution (H.J.Res. 157) for printing under the rule:

House Resolution 112

Resolved, That immediately upon the adoption of this resolution the House shall proceed to the consideration of H.J.Res. 157, and all points of order against said joint resolution shall be considered as waived. That after general debate, which shall be confined to the joint resolution and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the previous question shall be considered as ordered on the joint resolution to final passage without intervening motion except one motion to recommit.

UNEMPLOYMENT RELIEF

Mr. STEAGALL. Mr. Speaker, as I understand the situation, we will take up now by unanimous consent the bill (H.R. 4606) to provide for cooperation by the Federal Government with the several States and Territories and the District of Columbia in relieving the hardship and suffering caused by unemployment, and for other purposes, with general debate for 2 hours having been agreed upon.

The SPEAKER. That has not yet been agreed upon.

Mr. SNELL. Will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. SNELL. As I understood the situation, we agreed to take up this matter, and the only question left open was the question of the 2 hours' general debate. I told the majority leader yesterday that as soon as I consulted with the ranking minority members of the Committee on Banking and Currency, I would agree to the time for general debate. I have consulted with the gentleman from Massachusetts [Mr. LUCE], and the gentleman thinks 2 hours' general debate would be sufficient.

Mr. STEAGALL. Then, Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 4606) to provide for cooperation by the Federal Government with the several States and Territories and the District of Columbia in relieving the hardship and suffering caused by unemployment, and for other purposes; and pending that motion, I ask unanimous consent that general debate be limited to 2 hours, one half to be controlled by myself and one half to be controlled by the gentleman from Massachusetts [Mr. LUCE], to be confined to the bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. STEAGALL]?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Alabama.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 4606) to relieve suffering caused by unemployment, with Mr. BULWINKLE in the chair.

The Clerk read the title of the bill.

Mr. STEAGALL. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

Mr. GOSS. Reserving the right to object, will the bill be printed in the RECORD at this point?

The CHAIRMAN. Not ordinarily.

Mr. GOSS. I ask unanimous consent that the bill be printed in the RECORD at this point. Otherwise I shall object to dispensing with the reading of the bill.

The CHAIRMAN. Without objection, the bill will be printed in the RECORD at this point.

There was no objection.

The bill referred to is as follows:

Be it enacted, etc., That the Congress hereby declares that the present economic depression has created a serious emergency, due to widespread unemployment and increasing inadequacy of State and local relief funds, resulting in the existing or threatened deprivation of a considerable number of families and individuals of the necessities of life, and making it imperative that the Federal Government cooperate more effectively with the several States and Territories and the District of Columbia in furnishing relief to their needy and distressed people.

SEC. 2. (a) The Reconstruction Finance Corporation is authorized and directed to make available out of the funds of the Corporation not to exceed \$500,000,000, in addition to the funds authorized under title I of the Emergency Relief and Construction Act of 1932, for expenditure under the provisions of this act upon certification by the Federal Emergency Relief Administrator provided for in section 3.

(b) The amount of notes, debentures, bonds, or other such obligations which the Reconstruction Finance Corporation is authorized and empowered under section 9 of the Reconstruction Finance Corporation Act, as amended, to have outstanding at any one time is increased by \$500,000,000: *Provided*, That no such additional notes, debentures, bonds, or other such obligations authorized by this subsection shall be issued except at such times and in such amounts as the President shall approve.

(c) After the expiration of 10 days after the date upon which the Federal Emergency Relief Administrator has qualified and has taken office, no application shall be approved by the Reconstruction Finance Corporation under the provisions of title I of the Emergency Relief and Construction Act of 1932, and the Federal Emergency Relief Administrator shall have access to all files and records of the Reconstruction Finance Corporation relating to the administration of funds under title I of such act. At the expiration of such 10-day period, the unexpended and unobligated balance of the funds authorized under title I of such act shall be available for the purposes of this act.

SEC. 3. (a) There is hereby created a Federal Emergency Relief Administration, all the powers of which shall be exercised by a Federal Emergency Relief Administrator (referred to in this act as the "Administrator") to be appointed by the President, by and with the advice and consent of the Senate. The Administrator shall receive a salary, to be fixed by the President, and necessary traveling and subsistence expenses within the limitations prescribed by law for civilian employees in the executive branch of the Government. The Federal Emergency Relief Administration and the office of Federal Emergency Relief Administrator shall cease to exist upon the expiration of 2 years after the date of enactment of this act, and the unexpended balance on such date of any funds made available under the provisions of this act shall be disposed of as the Congress may by law provide.

(b) The Administrator may appoint and fix the compensation of such experts and, subject to the provisions of the civil service laws, appoint, and, in accordance with the Classification Act of 1923, as amended, fix the compensation of such other officers and employees as are necessary to carry out the provisions of this act; and may make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere and for printing and binding), not to exceed \$350,000, as are necessary to carry out the provisions of this act, to be paid by the Reconstruction Finance Corporation out of funds made available by this act upon presentation of vouchers approved by the Administrator or by an officer of the Administration designated by him for that purpose.

(c) In executing any of the provisions of this act the Administrator and any person duly authorized or designated by him, may conduct any investigation pertinent or material to the furtherance of the purposes of this act and, at the request of the President, shall make such further investigations and studies as the President may deem necessary in dealing with problems of unemployment relief.

(d) The Administrator shall print monthly, and shall submit to the President and to the Senate and the House of Representatives (or to the Secretary of the Senate and the Clerk of the House of Representatives, if those bodies are not in session), a report of his activities and expenditures under this act. Such reports shall, when submitted, be printed as public documents.

SEC. 4. (a) Out of the funds of the Reconstruction Finance Corporation made available by this act, the Administrator is authorized to make grants to the several States, to aid in meeting the costs of furnishing relief and work relief and in relieving the hardship and suffering caused by unemployment in the form of money, service, materials, and/or commodities to provide the necessities of life to persons in need as a result of the present emergency, and/or to their dependents, whether resident, transient, or homeless.

(b) Of the amounts made available by this act not to exceed \$250,000,000 shall be granted to the several States applying therefor, in the following manner: Each State shall be entitled to receive grants equal to one third of the amount expended by such State, including the civil subdivisions thereof, out of public moneys from all sources for the purposes set forth in subsection

(a) of this section; and such grants shall be made quarterly, beginning with the second quarter in the calendar year 1933, and shall be made during any quarter upon the basis of such expenditures certified by the States to have been made during the preceding quarter.

(c) The balance of the amounts made available by this act, except the amount required for administrative expenditures under section 3, shall be used for grants to be made whenever, from an application presented by a State, the Administrator finds that the combined moneys which can be made available within the State from all sources, supplemented by any moneys available under subsection (b) of this section, will fall below the estimated needs within the State for the purposes specified in subsection (a) of this section: *Provided*, That the Administrator may certify out of the funds made available by this subsection additional grants to States applying therefor to aid needy persons who have no legal settlement in any one State or community, and to aid in assisting cooperative and self-help associations for the barter of goods and services.

(d) After October 1, 1933, notwithstanding the provisions of subsection (b), the unexpended balance of the amounts available for the purposes of subsection (b) may, in the discretion of the Administrator and with the approval of the President, be available for grants under subsection (c).

(e) The decision of the Administrator as to the purpose of any expenditure shall be final.

(f) The amount available to any one State under subsections (b) and (c) of this section shall not exceed 15 percent of the total amount made available by such subsections.

Sec. 5. Any State desiring to obtain funds under this act shall through its governor make application therefor from time to time to the Administrator. Each application so made shall present in the manner requested by the Administrator information showing (1) the amounts necessary to meet relief needs in the State during the period covered by such application and the amounts available from public or private sources within the State, its political subdivisions, and private agencies, to meet the relief needs of the State, (2) the provision made to assure adequate administrative supervision, (3) the provision made for suitable standards of relief, and (4) the purposes for which the funds requested will be used.

Sec. 6. The Administrator upon approving a grant to any State shall so certify to the Reconstruction Finance Corporation which shall, except upon revocation of a certificate by the Administrator, make payments without delay to the State in such amounts and at such times as may be prescribed in the certificate. The Governor of each State receiving grants under this act shall file monthly with the Administrator, and in the form required by him, a report of the disbursements made under such grants.

Sec. 7. As used in the foregoing provisions of this act, the term "State" shall include the District of Columbia, Alaska, Hawaii, and Puerto Rico; and the term "Governor" shall include the Commissioners of the District of Columbia.

Sec. 8. This act may be cited as the "Federal Emergency Relief Act of 1933."

Mr. STEAGALL. Mr. Chairman, this bill is intended to afford the use of the National Treasury for relief of distress and destitution resulting from unemployment. The sum provided as a maximum to be expended is \$500,000,000, which is to be furnished from funds of the Reconstruction Finance Corporation. The Reconstruction Finance Corporation, under this bill, is authorized to expand its obligations for the purpose of raising the funds required for carrying out the purposes of this act. Two hundred and fifty million dollars are to be advanced to States on the basis of one third of aid under the provisions of this bill, and two thirds of aid from all other sources. Two hundred and fifty million dollars, or one half, is to be used in the form of grants to the States to aid in meeting the "cost of furnishing relief and work relief, and in relieving the hardship and suffering caused by unemployment, in the form of money, service, materials, commodities, to provide the necessities of life to persons in need, as a result of the present emergency, and to their dependents." One half of the funds, which is to be used to supplement aid secured from other persons after the 1st of October, may, after October 1, 1933, be used under the general authority for grants which I have just outlined.

The bill provides that after the establishment of the national administration to control the fund, no further aid may be furnished by the Reconstruction Finance Corporation under title I of the Emergency Relief Act of 1932; and that all funds left in the Reconstruction Finance Corporation under that act shall be turned over to the emergency relief administrator provided for in the bill now under consideration.

There is now on hand with the Reconstruction Finance Corporation a sum between \$50,000,000 and \$60,000,000, or

thereabouts. This bill provides for the appointment by the President of a Federal emergency relief administrator, whose appointment shall be confirmed by the Senate and whose salary shall be fixed by the President. The Federal emergency relief administration and the office of the Federal emergency relief administrator are to terminate after a period of 2 years.

The committee had before it the testimony adduced at the hearings in the Senate on the Wagner-Costigan-La Follette relief bill, and also conducted hearings for some days in which conditions affecting unemployment were outlined to the committee. There are 4,000,000 families in need of aid. Conditions are growing worse all the time. Local means are being exhausted. The only hope for anything approaching adequate aid lies in resort to the Federal Treasury.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I am glad to yield.

Mr. O'CONNOR. Will the gentleman tell us in what essentials, if any, this bill differs from the Wagner-Costigan-La Follette bill?

Mr. STEAGALL. This bill is identical with the Senate bill as introduced in the House. This came about by reason of the question of constitutionality raised by the resolution of the gentleman from New York respecting the right of the Senate to originate this legislation. In view of that question, the committee of the House thought it well to consider the House bill introduced by the gentleman from Maryland [Mr. LEWIS], and that is the bill under consideration.

There have been only two amendments to this bill: One, a mere matter of phraseology to make the language of the bill correspond with the language of the title and to employ the identical language which has been interpreted repeatedly by officials of the Reconstruction Finance Corporation. This amendment simply added, in lines 8 and 9, page 5 of the bill, after the words "work relief", the following phrase: "And in relieving the hardship and suffering caused by unemployment." This language was in the title of the bill, was taken from a former act, and has been repeatedly construed so as to have an established legal interpretation by the administrative officers of the Government.

Mr. DOUGHTON. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I am glad to yield.

Mr. DOUGHTON. Will the gentleman explain to us what is meant by the phrase "work relief" and whether the chief features of this bill are those of employment or whether it is mainly a dole proposition?

Mr. STEAGALL. If the gentleman will permit, I will answer his question in a moment, after I have finished calling attention to the amendments that were adopted by the Committee on Banking and Currency.

The second amendment, which was not regarded as of very great importance or significance, is on page 5, line 15, and changes the figures "\$200,000,000" to "\$250,000,000." This change is in the subdivision of the bill which provides for supplementary loans, loans to be made with reference to the relief aid afforded in States from other agencies on a basis of one third Federal aid to two thirds of other aid, the purpose being to divide the \$500,000,000 fund into two equal amounts, one to be used primarily to supplement other aid and the other to be used in direct grants for relief purposes as outlined in section 4, the language of which I have just called to the attention of the House.

The gentleman from North Carolina [Mr. DOUGHTON] asked a question. I do not remember for the moment the exact language of his question. I will say in answer it is recognized by all that wherever it is practical to do so aid should be extended for the purpose of enlarging employment and relieving distress by that method. But the bill goes further, the purpose being that so far as, in the discretion of the administrator of this fund, it is found necessary and proper to do so all restrictions, limitations, and interferences may be done away with, to the end that people in destitution may be furnished food and the necessities of life without undue delay.

Mr. HASTINGS. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. Certainly.

Mr. HASTINGS. Keeping in mind that we have unemployment and distress in every section of the country, I should like to have the chairman's construction of section 4 as to how this money is to be apportioned among the States.

Mr. STEAGALL. It will be distributed in the exercise of the discretion lodged in the administrator of the fund. It will not be on a population basis or any other arbitrary method, but will be administered with respect to the requirements and necessities disclosed by the investigation conducted by the administrators of the fund. There is a limitation, however, that not more than 15 percent of the funds may go to any one State.

Mr. HASTINGS. The distinguished chairman and the other members of the committee who reported the bill, of course, understand that we have unemployment and distress in every State in the Union, yet there is no legislative direction in the bill as to distribution. This is left entirely to the administrator of the bill.

Mr. STEAGALL. That is true. The funds will be distributed by the Administrator and the President. Any community in the United States is interested in any other community whose citizens are suffering for want of food, clothing, and shelter. It so happens the problem is most acute in the larger centers and cities, in some instances the wealthy centers, but the situation that confronts the country is a practical one. It is a question of going directly to the center of distress and dealing with it in a direct way as far as it may be done without taking away from the States and the local communities a proper share and voice in the administration of the funds. Only those in need have a right to expect aid, and all such should be taken care of as far as may be done without regard to communities where there is no such need.

Mr. CLARKE of New York. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. Certainly.

Mr. CLARKE of New York. I see another agency is set up under the terms of the bill. Will the gentleman explain how many will be employed in this new agency and why the agency is necessary when we have so many other agencies?

Mr. STEAGALL. The Reconstruction Finance Corporation is purely a loaning agency of the Government. It is, in fact, a banking institution set up with governmental funds for the purpose of making loans. The Corporation must require full and adequate security. The purpose of this bill is to relieve hunger and distress in the United States. To do this intelligently the problem must necessarily be approached from this standpoint and not from the standpoint of loaning money.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. TARVER. Directing the gentleman's attention again to section 4 (b) in which the amount of \$200,000,000 was increased to \$250,000,000 by the committee, will he not explain why this action was suggested by the committee?

In this connection I wish to point out that the benefits of this particular part of the fund cannot be obtained by a great many States, such as my own State, the constitution of which prohibits the State from making a grant of public funds for relief purposes. It is made available only in amounts "equal to one third of the amount expended by such State" for relief purposes.

Therefore the State of Georgia could not obtain any of this \$250,000,000 provided in section 4 (b). Their matters of relief have been taken care of largely by private contributions made by their citizens, through agencies such as community chests.

Mr. STEAGALL. I will say to the gentleman that under the provisions of this bill the ratio limit with reference to aid in any particular State, as it relates to aid from other sources, is not limited to aid supplied by your State treasury, but aid from all sources.

Mr. TARVER. The gentleman is referring now to another portion of the bill relating to the remainder of the fund. Section 4 (b) provides specifically—

Each State shall be entitled to receive grants equal to one third of the amount expended by such State.

And States which have not expended any amount, because they are prohibited by their constitutions from doing so, could not obtain any part of this \$250,000,000. My understanding is that civil divisions of a State are included, but the major portion of the relief afforded in my State has been done through private contributions.

Mr. STEAGALL. It is not limited to funds supplied by the State treasury, but funds from "all sources."

I am sorry I cannot continue to yield. We have only an hour of time, and I have promised to yield time to other gentlemen, and especially to the gentleman from Maryland [Mr. Lewis], the author of the bill. On this account, I am obliged to yield the floor, much as I regret not being able to answer further questions.

Let me say in conclusion that all of us deplore the necessity for this legislation, but the necessity exists, and it is a national problem that challenges the attention and the interest of every patriotic citizen of the United States, not alone upon humanitarian grounds but from the standpoint of public policy. We cannot afford to ignore the dangers that result from a continuance of the distress that exists in many of our cities and centers of population. Let us hope we shall be able to find normal methods by which to restore opportunity for employment, that men who want to work may find an opportunity to labor and support their loved ones, but until our leadership finds such methods of relief there is no course left us except to see that all the resources of the Nation are employed as far as necessary to end hunger and human suffering in the United States. [Applause.]

Mr. Chairman, I reserve the balance of my time.

Mr. LUCE. Mr. Chairman, members of the committee who dissent in the matter of this bill recognize that they put themselves in the ungracious attitude of seeming to object to the relief of distress; and yet it is my hope that reasonable men will admit that while there may be unanimity of opinion as to an end to be accomplished, there may be legitimate differences as to the methods to be pursued.

The dissenting members object because the method here proposed seems to them unnecessary and unwise. They deem it, in part, unnecessary because of the creation of a new agency to carry out work that might be intrusted to existing agencies, inasmuch as it stipulates that some of this duty, without responsibility, shall be conferred upon the Reconstruction Finance Corporation, and because the methods in point of detail are inconsistent with tried and tested methods that have proved satisfactory.

First, as to the proposal that this money shall be handled through the Reconstruction Finance Corporation.

As the chairman of the committee has accurately explained, the Reconstruction Finance Corporation was conceived and has been developed as a lending agency. It is now to be required to be part of the mechanism of a giving agency. It is simply to be a conduit through which the public funds will travel. Upon inquiry in the committee as to the reason why this roundabout method should be pursued, we learned that the reason, and the only reason, for this is to deceive the people of the United States.

The only purpose of this is to make them think, inasmuch as the gifts go through the Reconstruction Finance Corporation, they are not a current expenditure. The only purpose of this is to keep it out of the Budget and by that much fail to disclose to the taxpayers of the country the expenditure in any one 12 months. We created a budget partly in order that the people might know what money was spent and when it was spent, and here is a proposal to hide the expenditure of \$500,000,000 so that the public may not be aware of the financial facts of the case. Now, granted that the purpose is noble—granted, indeed, for the moment, if you please, that other features of the bill are

estimable—there can be no defense for using a method that violates the very purpose of the Budget, a method that will accomplish no beneficial results save by way of deceit, and, of course, I ought not to class that as a beneficial result. The only result is one of deceit of the public as to the exact amount of the expenditures in the current year.

The Reconstruction Finance Corporation is to do nothing except obey the behest of a new official, the administrator. It is not to question whether the purposes or the needs or anything about the expenditure are wise. It is not to inquire whether the money is prudently spent. It is to have no responsibility whatever.

The Treasury Department was created for the purpose of doing such work as this, and not one single valid reason was given why the Treasury Department should not perform it.

The Reconstruction Finance Corporation, as I told you and the chairman of the committee has told you, is a lending body. Here for the first time we are fastening on it the stigma of being a giving body. You may say that this has been done in the various so-called "50-50 propositions"—by the way, I have opposed every one of them—but the case differs in that here \$250,000,000 is to be given outright.

Furthermore, you are for the first time having the whole Nation distribute money to all its parts. It is the first step that costs. What excuse can be given? How can it be explained that we should engage in the work of extracting money from all the States, bringing it to Washington, and giving it back to all the States? Only on the ground that some of the States will get more than their fractional share, and some will get less than their fractional share. The only excuse that can be given for this waste motion is that some of the States are to get more than their numbers alone would warrant and some States less.

Let us ask whether it is wise to engage in the policy of national giving. I must not take the time to lay before you all the possibilities, but I may suggest for your consideration whether this is not an entering on the dole system, a system that has been the curse of England and has brought upon her more distress than any other legislation enacted by Great Britain in our lifetime.

It is, in effect, a step toward the dole system, a system that cannot be defended in this country.

The proposal is to give \$1 for every \$3 paid out by the States. This was urged on us that it might incite the States to give more money and encourage charitable contribution. Is it reasonable, does your own experience tell you, that the offer of \$1 upon the spending of \$3 will be any big incitement to greater public giving or greater private charity? If this measure is to prevail, it ought to follow the plan that we have always used, of one half by the United States and one half by the States. Then there might be some real incitement to somebody to make more gifts than otherwise would be the case.

I would call your attention particularly, however, to one paragraph in the report of the majority members of the committee:

The bill also provides a discretionary fund of \$250,000,000 from which grants to States will be made when the combination of Federal, State, and local funds prove inadequate. This is a safety fund to make sure that insufficient State resources do not result in human suffering.

Gentlemen of the committee, through your chairman, I tell you that this hides most cleverly the more important purpose of this bill. In one single sentence there the majority of the committee glides over the great objection to the bill. The committee does not elsewhere answer in any part of the report the most serious objections to the bill. All the majority of the committee dared do was to put in that glittering generality which does not tell the real story.

Let me disclose to you, if I may, some of the things this conceals. In the minority views, and I venture somewhat immodestly to ask your perusal of them, you will find reprinted section 5 of the bill, a section which is full of trouble. Mind you, a Federal administrator is to be created, a new official, to be the germ of a new bureau that will have mushroom growth, as did the Children's Bureau, for nobody

expects that its life will terminate in 2 years. To change the metaphor, this is the opening wedge for establishing another Federal agency. Not satisfied with handling from Washington the care of children, handling matters of maternity, and other concerns of individuals, it is now proposed to handle matters of charity.

This Federal administrator is to ascertain certain things about the expenditure of this money. Among others, he is told to find out how much has been contributed by private sources and private agencies for relief. Imagine the work contemplated in going into every city, town, and hamlet of the country to find out how much money has been given for private relief! The very impossibility of the task discloses the impropriety of putting it into this bill or of putting upon any man that duty.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. LUCE. Yes.

Mr. O'CONNOR. Does the gentleman construe the bill to mean that that will authorize this administrator to investigate and interrogate these agencies as to how much money they are spending and what they are doing with it?

Mr. LUCE. I think that is what is contemplated, but unfortunately the bill is so vague in this section and in other particulars that I do not dare to state definitely that this is meant, but from the testimony before the committee and from the reading of the bill we infer, and I think justly, that it is the intention to have from Washington examination of all the charitable organizations and activities of the land. That is one of the reasons why we protest.

Mr. DEEN. Mr. Chairman, will the gentleman yield?

Mr. LUCE. Yes.

Mr. DEEN. Does the gentleman believe or not that this bill is perhaps a step in the direction of sowing a good crop of seed for communism throughout the United States?

Mr. LUCE. It is socialism. Whether it is communism or not I do not know, but it is still more adding to the functions of Government for the Nation to concern itself with the spending of money coming from private sources and expended by private agencies for individual relief.

Mr. DEEN. Does the gentleman believe or not that the people of the United States who are unemployed would have greater respect for the Members of this Congress if we were to expand properly the currency by putting new money in circulation on a profitable public-works program, rather than resorting to this sort of legislation?

Mr. LUCE. Mr. Chairman, it is my cherished hope, and a vain one, that at some time I may be able to have the attention of the House for about 4 hours on the currency question. To dispose of it in 4 seconds is beyond my power. [Laughter.]

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. LUCE. Yes.

Mr. McCORMACK. I should like to get the opinion of my distinguished friend from Massachusetts as to whether or not he believes that it is a socialistic philosophy of government for the Federal Government, where an actual emergency exists, assuming Members honestly feel that the actual emergency exists, to extend its power and its influence in bringing relief to those who are afflicted as a result of this depression—confining it to the Government?

Mr. LUCE. If we were acting according to the academic principles of political science, a great deal of what we are doing would not be done, but every man's heart is touched by the exigency. Our sympathy goes out to our fellow men, and we are stretching our political consciences, not partisan, but the consciences that rest on political science, to do most of the things we are now doing. I began by saying that I sympathize with the end, and if it were to be accomplished by the accustomed and legitimate means I have no doubt that I would vote for the bill. I am protesting against this method of doing it.

Mr. McCORMACK rose.

Mr. LUCE. I cannot yield further.

Mr. McCORMACK. But my friend has not answered my question.

Mr. LUCE. Mr. Chairman, I did not mean to answer the gentleman's question, and I tried to conceal that fact. [Laughter.]

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. LUCE. Yes.

Mr. MARTIN of Colorado. Turning his attention to the criticism of this feature of the bill about procuring the statistics as to the amount of relief that can be furnished by various State agencies, is it not a fact that all that information is now available to and in the possession of the relief administrators in the States and the State governments?

Mr. LUCE. It may be in some States. I do not know. But, in any event, I call the gentleman's attention to the fact that the next point in my indictment is to the effect that the administrator is to "assure adequate administrative supervision." This compels the administrator, if he performs his duty through his agencies, to supervise in the lump, not only the figures to which the gentleman has referred but also all matters of their detail.

Next, he is to determine what are "suitable standards of relief." He is to be entrusted with passing judgment upon all the charitable agencies of the land to determine whether the Salvation Army is conducting its affairs properly, whether the Volunteers of America, the American Legion, or any other agency is performing its duty. You are imposing upon this man the passing of judgment upon "suitable standards" of relief.

The bill may be construed to the effect that it is to be his duty to watch the expenditure of the money after it has been turned over to the States. This means that through his agents he has to go into every city of the land and determine whether the sad charges of graft and corruption, appearing in the very meanest type of political manipulations, are justified. He has to make inquiry in every nook and corner as to whether there is not only efficiency but also honesty, integrity, and good faith.

I have adverted to the fact that another bureau is to be established, another bureau that is to rival those already in existence, and this is contemplated at a time when we are trying to destroy bureaus, for one purpose of the economy bill and the reorganization bill was to get rid of bureaus. Here you are creating another, and you are entrusting its administrator with dispensing at his will \$250,000,000, for only half of the total is to be used in matching and the other half is to be under the complete control of this administrator of public relief.

Mr. Chairman, these considerations are of grave importance, but more serious in the end will be the clothing of individual charity with a national interest.

It is to be greatly regretted that the development of human society in these modern days, particularly the development of the cities, has, in large measure, destroyed neighborhood responsibility, but, accepting it as inevitable, wholly unavoidable, we might recognize the wisdom of having town and city responsibility. If necessary in times of emergency, there may also well be State responsibility; but I submit, sir, with the boundaries of the State should end the responsibility for caring for neighbors. After all, the maintenance of associations that group around the family and the home and the maintenance of neighborhood and community spirit are among the great things to be preserved. I am appealing to you not still further to deaden responsibility by taking it farther away. The more you take it away the more mechanical it becomes, the weaker it becomes, the colder it becomes. In every respect it is unwise for the Nation to take over neighborhood responsibility.

Mrs. KAHN. Will the gentleman yield?

Mr. LUCE. Certainly.

Mrs. KAHN. Has there been any estimate at all made of what each State will get under this allocation, the amount of money each State will get?

Mr. LUCE. No. Such figures, which would have to be largely estimates, were not given to us by States. I am glad the lady from California asked the question, because

I had forgotten to say I am given to understand that many States are refusing, through their legislatures, to do this very thing—are refusing to dispense the money of the State—in the confident hope that they can get it out of the National Treasury. This measure will incite other States to do the same thing. It puts the temptation before all States, among them my own State, to abandon self-reliance. We have been proud of the fact in my State that we have met our own problems. Some of the other States are equally proud, and I believe warrantably so, that they have not come here even to borrow. This bill will make it almost imperative that every State, despite its own sense of responsibility, shall accept gratuities from the Nation. And so you will break down that spirit of State responsibility, as well as that of local responsibility, which is so all-important in this crisis.

Mrs. KAHN. I should like to ask if allotment by population would not be a fairer basis of allotment rather than the basis set out in the bill—that is, the amount of money already subscribed by that State for relief?

Mr. LUCE. The lady addresses her interrogatory to the first half of the bill, the matching proposition. There is \$250,000,000 to be given away without any condition of that sort, to be given away at the judgment of one man here in Washington, who alone will determine.

Mr. MILLARD. Will the gentleman yield?

Mr. LUCE. I yield.

Mr. MILLARD. The State of New York pays 30 percent of the Federal taxes. That means the State of New York will pay \$75,000,000 of this \$250,000,000, and under this bill they can receive only a limit of 15 percent?

Mr. LUCE. Only 15 percent.

Mr. MOTT. Will the gentleman yield?

Mr. LUCE. I yield.

Mr. MOTT. Under this bill it is apparently mathematically possible for some seven States to receive the entire amount of money available under this bill. Could the gentleman inform the House whether under the provisions of this bill there is any assurance that my particular State could get anything upon request? Have we any assurance that the State of Oregon, if we would apply for relief under this bill, would get anything at all, or would that be entirely in the discretion of the administrator of the bill?

Mr. LUCE. I understand it is entirely in the discretion of the administrator as to at least half the money.

Mr. ADAMS. Will the gentleman yield?

Mr. LUCE. I yield.

Mr. ADAMS. Assuming that the gentleman's viewpoint is correct, as to the separate localities taking care of their own indigent and needy; let us suppose it is impossible for them to do so; does he still maintain the opinion that the country must come to their assistance?

Mr. LUCE. I will not admit the gentleman's postulate. I believe every State can take care of its own.

Mr. ADAMS. At this particular time?

Mr. LUCE. At this particular time.

Mr. HEALEY. Will the gentleman yield?

Mr. LUCE. I yield.

Mr. HEALEY. Does the gentleman realize that today practically every State has a welfare officer who may well furnish the data and information required for the administration of this bill?

Mr. LUCE. Judging from what I hear about certain States that information would be in part untrustworthy.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. LUCE. I yield.

Mr. REED of New York. Is it not true that practically every church has a charitable organization to carry on its usual and customary benevolence? Would not the churches and every community which has its own welfare organization be subject to the same investigation?

Mr. LUCE. They would be.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. LUCE. I yield.

Mr. RICH. I was informed yesterday that there are counties in my district where individuals have been requested to get on the relief because of the fact the money is available and they might just as well be on the relief as not.

Mr. LUCE. Such conditions are to be found.

Mr. RICH. And I understand if Federal funds were to come into certain sections and be distributed in this manner it might take funds away from places where the money is really needed. This would bring about an unjustifiable distribution of money where it was not needed.

Mr. LUCE. Undoubtedly so.

Mr. Chairman, I reserve the remainder of my time.

Mr. BYRNS. Before the gentleman takes his seat, will he answer a question?

Mr. LUCE. Certainly.

Mr. BYRNS. I just came into the Chamber. Do I understand it is the position of the gentleman from Massachusetts that under no circumstances should the Federal Government make any contribution to States or municipalities for the relief of the citizens of these States or municipalities?

Mr. LUCE. Had the gentleman heard me he would, I think, have known that I do not object to lending money to the States. I object to giving money to the States.

Mr. BYRNS. I understand. What I am talking about is contribution. I think I so framed my question with reference to the \$250,000,000 that is carried in this bill.

Mr. LUCE. I do object to contribution.

Mr. BYRNS. Under any circumstances?

Mr. LUCE. By the Nation under any circumstances.

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 30 minutes to the gentleman from Maryland [Mr. Lewis].

Mr. LEWIS of Maryland. Mr. Chairman, I want to ask the special indulgence of my colleagues in beginning my remarks. It is that any question they may wish to ask be deferred until we reach the reading of the bill under the 5-minute rule.

In approaching the subject of this day, and considering the kind of objections we have thus far heard, it seems not inappropriate that we recur for a moment to that greatest of all teachers who once spake upon this subject and admonished the nations:

When the Son of man shall come in His glory, and all the holy angels with Him, then shall He sit upon the throne of His glory: And before Him shall be gathered all nations: and He shall separate them one from another, as a shepherd divideth his sheep from the goats.

And He shall set the sheep on His right hand, but the goats on the left.

Then shall the King say unto them on His right hand, Come, ye blessed of My Father, inherit the kingdom prepared for you from the foundation of the world:

For I was anhungered, and ye gave Me meat: I was thirsty, and ye gave Me drink: I was a stranger, and ye took Me in:

Naked, and ye clothed Me: I was sick, and ye visited Me.

And the King shall * * * say unto them, Verily I say unto you, inasmuch as ye have done it unto one of the least of these My brethren, ye have done it unto Me.

The country acknowledges this Great Teacher, and its response is the relief bill before you—but this response has been referred to this morning as bringing a stigma upon the Nation's records. Let us consider for a moment the examples of other nations. In Germany in 1931 not \$500,000,000, but \$1,514,800,000 was appropriated to like purposes. In the country over which the flag of England waves, not \$500,000,000, but \$1,158,000,000 was appropriated for this purpose.

In the case of Germany, if you multiply by our population factor for comparison, its fund would be equivalent to \$3,000,000,000. In the case of England, using our population as a basis, the fund would be the equivalent of about \$3,500,000,000. Yet the country of Washington is to suffer a stigma, it is said, because it responds at all, even in the small measure of one sixth as much, to this great national and Christian duty.

IF IT IS A DOLE, WHO IS RESPONSIBLE?

Mr. Chairman, the fundamental argument addressed against this measure is that with its passage we are entering upon the pathway of the dole. I shall address myself at once to this part of the discussion.

In 1931 it first became my privilege to visit the Old World; and upon my return friends were asking always, Lewis, how did you find things in Europe?

My answer was that at that time in Holland, in Belgium, and in Switzerland I found conditions about what they considered their normal; but that in Great Britain and in Germany conditions resembled those in the United States with this important difference, my colleagues: That in Germany and in Great Britain the agony was taken out of it for the unemployed by their social insurance systems you have just heard dubbed as the dole.

In England, in Germany, and other countries the Prime Minister does the worrying, and why not? Who more than the Prime Minister is responsible for the conditions in which the disemployed workman finds himself? Has it not been the policy of these States for over a century to produce, in large part, just the conditions of disemployment under which we now suffer? Have they not encouraged the sciences? Have they not subsidized the inventor with exclusive patents? Have they not formed great industrial organizations to secure mass production; and all for what purpose? In order to reduce the cost of production for the benefit of society. And their policy has succeeded. Eight men now do the work of ten men a few years ago.

Yes; their policy has succeeded. Even in 1929, in our own country, 2,000,000 human beings, competent and anxious to work, were crying for the privilege, while their cries were drowned by the hilarity of the banquet table, the hilarity of men who were becoming millionaires in a week or multimillionaires in a month. I say their policy has succeeded. Two million were then out of work. Many more of them, due to the same cause, are suffering that condition now.

Mr. Chairman, we have to thank the scientist, the inventor, and the efficiency engineer, and we do thank them, for the achievements by which production labors have been so greatly lowered. Doubtless, in the long run it is desirable that the work of society should be accomplished with a minimum of labor; but, Mr. Chairman, it is only desirable provided certain fundamental conditions are not violated, and one of these conditions is the right of the human being to earn his living in the sweat of his face. [Applause.] The world does not owe a man a living, I grant you; but just as sure as there is a God in the heavens, the world does owe him a chance to make a living; and it is a delinquent, slacking nation that will take away from this workman by state policies his opportunity to labor, and sneer at him when the moment of the inevitable dole has arrived.

Now, the answer of these Prime Ministers, accepting their responsibility, has been the dole.

Let us see whether this was the wisest answer that could be made. We may not doubt its justness, I think, under the circumstances, but we may still question its wisdom as a method.

EQUALITY BEFORE THE LAW

No one here, I am sure, would consciously deny this workman equality before the law. It is the boast of our American civil polity that it guarantees it to all, and yet it is denied this disemployed workman when his job is taken from him without indemnification. Let me give you but one illustration. This state policy to economize labor with its disemployment of the workman, is all meant for the benefit of society. Let us see what happens when property is taken for the benefit of society. A new street needs to be cut across from one avenue to another. The owner of the property objects, through sentiment or ancestral pride; but the answer of the city council is that the convenience of the city must prevail over his personal desires. So he is evicted from the premises, but, mark you, gentlemen, he is not evicted until just compensation is made to him for the property rights thus taken away.

The right to work—who has ever doubted it? Who will dispute it anywhere in the world? And yet, Mr. Chairman, this right to work, as old as civilization, will not assure a single workman a loaf of bread tomorrow or safeguard his family from eviction. I appeal to my colleagues of the American House of Commons whether they will be willing,

when the legislative opportunity be presented, to deny this workman the same legal sanctions for his right to work, the same day in court, granted to property before the law.

DISCRIMINATION AGAINST WORKERS

Mr. Chairman, we should be able to rely on the natural instincts to protect this right to work, and often we can—but its violation unfortunately is very general. Often the fault lies in the indifference of the employer, but it is not always the employer who is found delinquent. I have an instance in mind which occurred in a certain railroad shop, not in Maryland. When the traffic of the railroad had fallen one third, the management of the road found that it would have to reduce employment by one third; and the question of the disposition of the remaining employment was left to a vote of the men in the shop, themselves. The meeting was secret, not open. What happened in the secret meeting? Instead of giving 6 men 4 days a week, the elders got control and voted 4 men 6 days a week, and the company accepted their conclusion.

I want to make two remarks about the decision of this meeting and the action of the responsible managers of the road. First, as to the president of the road. He had no more right to put that discriminating question to the men than he had a right to put a similar question to the stockholders. He had no more right to permit this discrimination in employment than he would have had to say to one third of the stockholders, if the dividend fund had fallen one third, "We only have two thirds of the dividend fund left, and I am going to prefer the older stockholders." The stockholders have been granted legal sanctions for their rights—if he had attempted it we know what the courts would have promptly done.

Now, as to the men who would deliberately outlaw their fellows, push their fellow workmen off the raft of life, I want to say to them that they have invented a new form of blacklist, and that their blacklist is not a bit less odious than the blacklist they and their fathers as workmen have detested throughout history.

UNEMPLOYMENT CHRONIC

I say that this condition is chronic. Even if some power in the skies were to lift the depression and we were back to 1929 normalcy, the indications are that not less than one third of the present 12,000,000 now unemployed would still be vainly rapping at the factory gates.

I am not going into what I think are all the causes of the depression. What I speak of will be a principal cause but unfortunately an abiding one. There are two kinds of inventions. There is the kind of invention that reduces human employment, like the ditch-digging machine, where 2 men take the place, it is said, of 100 workmen. There is another kind: the automobile which has added so greatly to employment in the last 20 years in our own country. I shudder, Mr. Chairman, to think of what our unemployment situation would be had the automobile not come to take up the hands released by work-reducing inventions. If there were some power that could distribute the two kinds of inventions with equality, like the sexes—one little boy, one little girl, one little girl, one little boy—we should not have this aggravating problem before us. But a special emphasis is being placed in our system on work-reducing inventions. In every factory, efficiency engineering is being applied, and there is a "suggestion box" where the workmen are invited to drop suggestions, to reduce factory expense by reducing factory employment. I see no prospect of change in this condition.

EMPLOYMENT ASSET MOST IMPORTANT ASSET OF SOCIETY

Have we not come to the time when we must realize, as lawmakers, that the employment asset is the most important asset society possesses? It is true that, because of our neglect to properly define the subject matter, the employer often looks upon this employment attribute of his property as he looks on the physical property itself, as if it belonged to himself wholly. But it does not belong to him wholly. The employment attribute belongs also to the human beings who must have it in order to live. Our industrial order must accept its obligation to support our part of

the human family, and to do this it must administer the employment asset as a trust for willing, competent workers. No industrial order can deny such an obligation. Even under feudalism a place was found for every person however humble, yea, and even slavery did not refuse to feed and clothe and doctor the slave, no matter what might happen to crops or to markets.

Mr. Chairman, I repeat, the unemployment problem is a chronic condition—2,000,000 out of work in 1929, with indications of becoming 4,000,000 at the end of this depression. The President spoke of the "forgotten man." There are now some 12,000,000 of them standing, waiting at the factory gates. Among them is a class that is worse outlawed than the forgotten man. I refer to the men over 45 years of age, who have reached the dead line of employability; behold them, my associates, they are the untouchables of America. Behold them as the protest of Bobby Burns starts ringing in your ears—

See yonder poor, o'erlabour'd wight,
So abject, mean, and vile,
Who begs a brother of the earth
To give him leave to toil;
And see his lordly fellow worm
The poor petition spurn,
Unmindful, tho' a weeping wife
And helpless offspring mourn.

Gladiatorial qualifications are now required in the market where the worker sells his work. But the workshop is not a Roman arena, even if it does often call for equal courage and for more than equal sacrifice.

THE LAWMAKER'S NEGLECT

How does it happen that the lawmakers have neglected this right to work?

Perhaps a reminiscence from my own experience will help us in answering that question. When I was a little lad about 12 years of age working in the coal mines of Pennsylvania, I had an experience which left an indelible impression on my mind. It was 50 years ago, I am obliged to say. The driver was just starting into the mines on his first trip in the morning with two empty cars and a mule drawing them. The mule suddenly took a crazy spell—or was it a crazy spell; perhaps it had a lucid interval and saw that there was no escape but in suicide. At any rate it ran away headlong into the mine, beyond the control of the driver, until it came to a switch where a prop was sustaining some loose rock. When the cars struck the switch they jumped the track, struck down the prop, down came the overhanging roof, crushed the cars, killed the mule, and ended the earthly career of that driver.

Now, what happened in the head offices on the 1st of the month following the report of the accident? The directors reasoned correctly enough that they could not operate coal mines without killing mules, without smashing mine cars, and that, therefore, the cost of new mules and of new cars was properly chargeable to the expenses of conducting the business. But how about the driver's life? Ah, he was not property. He was an American citizen. "Civis Romanus sum." His wife had no rights. Yet, if his coal-blackened face had been blackened by an African sun, if that accident had happened in the Alabamas before the war, the same directors would have charged up, of course, at least \$1,000 more to replace the slave. Meanwhile, what happened to the widow and her children. A collection was taken in the mining village that filled her cupboards for a week or two, and there her history is lost in the common miseries of a callous world.

May I add, here, a perhaps too personal sequel to that accident. The first workmen's accident compensation law passed on this side of the Atlantic Ocean was passed in 1902 by the General Assembly of the State of Maryland, and that act was prepared by the hands of the man who as a boy witnessed the accident in the coal mines of Pennsylvania. [Applause.]

LEGAL SANCTIONS

My colleagues, it is evident that we cannot rely on the moral instincts alone to safeguard this right of the worker—legal protection must be provided for this right to work, just as it is provided for property rights. Mr. Swope, the

president of the General Electric Co. of the United States, has recognized that the worker's relations to employment should not be longer neglected by lawmakers and industrial leaders. Some 2 years ago he proposed a plan most favorably received by the public which carried securities for the workers, embracing:

- (a) Unemployment insurance.
- (b) Old-age insurance.
- (c) Health and life insurance.
- (d) Accident insurance.
- (e) Stabilization of the industry.

In order to effectuate these benefits Mr. Swope proposed the legal establishment of national trade associations for each industry, each to be managed by a board of 9 persons, 3 employers, 3 employees, and 3 representatives of the public. The insurance funds are to be maintained by equal contributions from the employers and employees. These insurance features required such national trade associations, he thought, so that workers might transfer from one employer to another without losing their benefits. This proposal was specifically approved by the United States Chamber of Commerce.

The Swope objectives include and serve the worker who is on the pay roll, who has a job. But how about the jobless, the "men at the gate"? They, too, have rights. But here again they are "forgotten", these "untouchables", even in the noble plan of Mr. Swope. Here, my colleagues, lie our duties, the duties of the lawmaker. Which shall it be? Shall the worker be given his share of the work, or shall he be given a dole? How can we continue to deny him both?

WORKER MAY SUE

And so the proposed bill adds to the Swope plan a provision for the jobless. The worker may apply for work in his trade to the workmen's accident commission of his State, and if it finds him competent and his record is all right, it notifies the trade association, which is then placed under a legal duty to give him his share of the work available or pay him the wages it refuses him a chance to earn.

I have only given you now the barest outline of the method of administration discussed elsewhere in full detail. No new offices are created by the plan—its administration is entrusted to the trade association and the existing State workmen's accident commissions, with an appellate jurisdiction when necessary in the Federal Trade Commission.

I feel justified in advising you that under the National Trade Association idea proposed by Mr. Swope, along with his unemployment and other insurance features, effective legal sanctions can be provided to assure this workman out of employment his share of the employment on proving his competency to work. If the employers within the Trade Association gratuitously ignore his right to work, then the Trade Association ought to take the responsibility of denying his God-given right, and ought to pay him, not a dole, but just compensation for a right which it is denying an unoffending human being. [Applause.]

The CHAIRMAN. The time of the gentleman from Maryland has expired.

EXHIBIT A

ANALYSIS OF RIGHT-TO-WORK BILL

SECTION 1. (a) Declaration legalizing citizen's right to work and on proof of competency to share of the employment available in his trade; which if denied, compensation payable from the trade in lieu thereof.

(b) Competent worker, unemployed, may apply to workmen's accident compensation commission of State for employment in his trade, which notifies trade association, which may contest his competency and record. If these be good, commission orders trade association to employ or place him.

Boards of national trade associations to submit rules for determining competency; also disciplinary regulations in relation to discharge, suspension, or demotion for neglect or occupational misconduct.

Incompetency shall not be imputed to worker on account of age unless he has reached pensionable age, nor on account of a physical defect if he can in fact do the work involved.

(c) If trade association refuses or fails to place worker in 1 week after certificate by commission, it may be sued by worker for compensation before such workmen's accident compensation commission, which, if case proved, shall order trade association to pay the worker compensation, to continue until worker

is employed. Compensation to be governed by the wages prevailing in the State.

(d) Each trade association required to establish compensation fund.

(e) Secretary trade association to make monthly reports to Federal Trade Commission showing pending compensation claims and state of fund. Monthly excise tax sufficient to pay such claims is levied upon corporation members of association to be assessed by Federal Trade Commission based on number of employees.

(f) Workmen's accident compensation commissions of States to have plenary jurisdiction to enforce the act, from which same appeals may be taken to same courts as in workmen's accident compensation cases.

SEC. 2. The act shall apply—

(a) To corporations employing not less than 25 persons engaged in (1) manufacturing, (2) mining, (3) transportation, (4) electrical communication, (5) building construction, (6) distribution of gas and petroleum products, and electrical energy, printing industries.

(c) Such industries to be classified by the Federal Trade Commission into trade associations according to products or services suitable to carry out the act.

SEC. 4. (a) Temporary initial board members to be designated by the Federal Trade Commission:

(1) Three members on behalf of the public from persons affiliated with organizations of consumers of the product or service.

(2) Three employees from unions of workmen in the trade.

(3) Three employers from the corporations engaged in the trade.

(b) Terms of office shall be staggered so that of first appointments one third of each set of members shall serve 1 year, 2 years, and 3 years, respectively.

(c) Meetings of the boards: (1) To organize and adopt bylaws.

(d) Permanent members of the board to be elected according to system prescribed by the Federal Trade Commission.

(e) Corporations to continue payment of wages to employee members while on association business.

SEC. 5. (a) Plans for stabilization of industry and employment shall be prepared by the national trade associations:

(1) Equitable partition of available work among competent workmen.

(2) Life, disability, and health insurance for employees.

(3) Workmen's accident compensation.

(4) Workmen's old-age pensions.

(5) Workmen's unemployment insurance.

(6) Stabilization of production.

Operation by—

(1) Trade association under its rules and regulations as approved by Federal Trade Commission.

(2) Boards in each corporation representing management and employees.

(3) Administration expenses shall be paid by members of trade association in proportion to number of employees.

EXHIBIT B

METHOD OF ENFORCEMENT OF THE ACT

To effect enforcement of the act an excise tax of 1 percent on their gross income is imposed on corporations liable. A drawback of 99 percent of this tax is allowed those which become members of the Trade Associations if they comply with their duties under the act. As an additional incentive the members of the association are exempted from the Sherman Antitrust Act if they do not actually conspire to raise prices.

DRAWBACK OF TAX TO MEMBERS OF TRADE ASSOCIATIONS

That Congress can levy such a tax is quite certain. There have been innumerable instances of acts of Congress designed to protect and assist industry by the imposition of taxes on production and commerce, so graduated or differentiated as to effect this object. These instances began with the organization of the Government, and had long preceded it. The question which is alone suggested is as to whether Congress, having levied a tax, can grant a drawback to the members of the trade associations.

The drawback of 99 percent, or in fact a bounty of that amount now granted domestic manufacturers, of the customs duty paid by them on importations of the raw material entering into their manufactures, is a full precedent. This discrimination or bounty in their favor, designed to encourage American industries—that is, "provide for the general welfare", is not contested as a violation of the Constitution. The similar purpose, certainly much magnified by necessity, presented by the proposed American coal cartel, would rescue a basic industry of the country from its long-continued deplorable state.

CONSTITUTIONALITY OF DRAWBACK AND BOUNTIES

The practice of the bounty and drawback goes back to the very foundations of the American Government. Hamilton favored "pecuniary bounties" and said:

"Pecuniary bounties are one of the most efficacious means of encouraging manufactures. Their advantages are:

"(a) They are positive and direct.

"(b) They avoid temporary augmentation of price.

"(c) They do not have tendency to produce scarcity."

If any doubt as to the validity of such legislation has existed, it is answered by the recent decision of the Supreme Court sustaining the flexible provision of the tariff law under which the

United States Tariff Commission and the President are empowered to lower or raise tariff rates for "protective purposes."

Bounties to the fishing industry appeared in the very first tariff acts. (See sec. 4, act of 1789 on p. 15, Tariff Acts, 1790 to 1909; also *U.S. v. Nickerson*, 17 How. 204.) The bounty to fishing was long continued. The drawback system is but another illustration of the bounty. The drawback, an old method in the practice of protection, is found in the act of 1789 and continues to this day. (See Dictionary of Tariff Information, p. 272, as to its use in the different countries.)

The McKinley Tariff Act of October 1, 1890 (par. 231) provided for bounties on sugar "grown" and "produced" within the United States. Some \$30,000,000 were paid sugar producers "within the United States" under the bounty provided by the McKinley Act which remained in operation about 4 years. The validity of the sugar bounty in that act was not passed on by the Supreme Court before its repeal. But that Court did sustain a later act of March 2, 1895, granting a bounty to producers of sugar under the McKinley Act who had complied with its provisions but who had not been paid their bounties at the time the McKinley Act expired.

TAXES MAY BE IMPOSED TO ENCOURAGE DOMESTIC INDUSTRY

By an odd turn in our judicial history, even those doubts about the constitutionality of a protective tariff, which were raised by Daniel Webster, were not disposed of by the Supreme Court until its October term in 1928. In passing on the constitutionality of the flexible provisions of the Tariff Act of 1922 by which the President, in conjunction with the Tariff Commission, is empowered to reduce or increase certain tariff rates, the Supreme Court said:

"It is contended that the only power of Congress in the levying of customs duties is to create revenue and that it is unconstitutional to frame the customs duties with any other view than that of revenue raising. It undoubtedly is true that during the political life of this country there has been much discussion between parties as to the wisdom of the policy of protection, and we may go farther and say as to its constitutionality, but no historian, whatever his view of the wisdom of the policy of protection, would contend that Congress since the first revenue act in 1789 has not assumed that it was within its power in making provision for the collection of revenue to put taxes upon importations and to vary the subjects of such taxes or rates in an effort to encourage the growth of the industries of the Nation by protecting home production against foreign competition. It is enough to point out that the second act adopted by the Congress of the United States July 4, 1789 (ch. 2, 1 Stat. 24), contained the following recital:

"SECTION 1. Whereas it is necessary for the support of government, for the discharge of the debts of the United States, and the encouragement and protection of manufactures, that duties be laid on goods, wares, and merchandises imported:

"Be it enacted, etc."

"In this First Congress sat many members of the Constitutional Convention of 1787. This Court has repeatedly laid down the principle that a contemporaneous legislative exposition of the Constitution when the founders of our Government and framers of our Constitution were actively participating in public affairs long acquiesced in, fixes the construction to be given its provisions.

"*J. W. Hampton, Jr., & Co. v. the United States*, decided April 9, 1928 (276 U.S. 394)."

The act of 1789, referred to by the court, not only carries a "bounty" by name to the fishing industry in section 4 but a discriminating drawback in section 5 under the name of a "discount" to American-built ships of 10 percent of the duties on merchandise carried by them. (Tariff acts 1789 to 1909, p. 15.)

THE 10-PERCENT TAX ON STATE-BANK CIRCULATION

An important illustration of the power of Congress to discriminate in the imposition of an excise tax is found in the tax of 10 percent imposed on the circulation of private State banks. The tax was not imposed on the similar circulation of the equally private national banks, although the circulation of neither the State nor the national banks was legal tender, but resembled each other perfectly in their exchange characteristics. The Court sustained this discriminatory tax in the celebrated case of *Veazie Bank v. Fenno* (8 Wall. 533).

OTHER INSTANCES OF LEGISLATIVE DISCRIMINATIONS

The history of the levy of taxes and the imposition of duties is replete with instances of legislative "welfare" discriminations. Until recently, taxes imposed on corporation net incomes were remitted on net incomes derived from foreign sources. In the case of inheritance taxes and income taxes, the rates of the tax are obviously discriminatory. There is a discrimination of 20 percent in our tariff in favor of Cuba. Accident compensation laws exempt employers whose employees number less than a prescribed number. In fact, it may be said that revenue legislation is not likely to be intelligent or just, which does not discriminate in order to recognize some special "general welfare" considerations in its applications.

Other references to relevant decisions by the courts are as follows:

Oleomargarine case: *McCray v. United States* (195 U.S., p. 27); *Kelly v. Lewellyn* (274 Fed. Rep. 108).

Discriminating not unconstitutional: *American Sugar Refining Co. v. Louisiana* (179 U.S. 89; 45 L.Ed. 102); *Williams v. Fears* (179 U.S. 270; 45 L.Ed. 186).

(See generally *Cooley's Constitutional Lim.*, p. 825-N-3, 8th ed., 221 U.S. 660; 65 L.Ed. 899.)

Phosphorus matches: Willoughby on the Constitution of the United States (2d ed., vol. 2, p. 674).

Narcotic drugs: Willoughby on the Constitution of the United States (2d ed., vol. 2, p. 674).

Cotton futures: Willoughby on the Constitution of the United States (2d ed., vol. 2, p. 679).

Opium, Willoughby on the Constitution of the United States (2d ed., vol. 2, p. 679).

One cannot read the phosphorus, narcotic, or opium acts and the decisions of the courts in relation thereto without the conviction that Congress may legislate to accomplish certain national "welfare" objectives not specifically named in the Constitution. One naturally expects this, since Congress is authorized by the Constitution "to lay and collect taxes * * * to provide for the general welfare." In the narcotic acts we find a full-fledged prohibition law not distinguishable in its features from the Volstead Act.

Under both the Volstead and the narcotic acts the privilege of sale is restricted to a particular class of persons, and the sale itself is permissible only on a doctor's prescription. The decisions of the Supreme Court justify the statement that the welfare clause in the past has always proved sufficient authority for legislation when the "welfare" objective represented a paramount necessity and when the desirability of the legislative restraint was generally admitted and the means employed were not unreasonable.

For a full discussion of the meaning of the "welfare clause" reference is given to the statements of James F. Lawson, Esq., dated February 2, 3, 1933, before the Senate Judiciary Committee on Senate bill 5480. Also to a statement by Hon. DAVID J. LEWIS, Member of Congress, on the subject before the same committee on February 3, 1933, in re the Black 30-hour bill. It is believed that these studies will leave the student in little, if any, doubt that the clause in section 8, article I, known as the "general welfare clause" was intended to give Congress a real power.

Mr. LUCE. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. HOLLISTER].

Mr. HOLLISTER. Mr. Chairman, we are asked today to consider a most unusual departure from ordinary conduct in governmental matters as we have heretofore understood them. It is a most extraordinary departure even in this time of extraordinary departures in which we are living. It is most unfortunate that gentlemen who are in favor of this bill do not use the time which is available to them in answering the very evident objections to the bill which have been presented. There is only a certain amount of time to be given the consideration of this very important measure, and it does seem as though that time should be taken to present objections to the bill and to answer them if they can be answered.

Two chief objections have already been expressed, but they are so important, they are so vital and basic, that we cannot make a mistake in reemphasizing and redefining them.

The most important thing to be considered in connection with this legislation is whether or not this Government will for the first time embark on the policy of giving money away freely to its citizens, and giving it away in large sums. It is true that in the past where earthquake has occurred or flood or some other act of God which has affected temporarily but very materially some small locality in the country, where local needs are enormous, but where local help is paralyzed, the Government has come to the aid of the community and appropriated sums, small from the point of view of the National Treasury; but now we are asked to distribute among the people of this country half a billion dollars, and that, even in the amounts we are daily discussing, is a great deal of money. We are asked to give this money away without any chance of its ever being repaid.

I do not suppose there is anyone here who has a monopoly in his desire to give help to the need which we know now exists in the country, but for the majority report to spend 75 percent of its space in discussing the great needs of the country seems rather superfluous. To have speakers get up here and say what the needs are also seems superfluous. We know those needs are there. The only problem is how are those needs to be met. Shall we insist that the States, to the extent they are able, shall meet those needs before the Federal Government steps in, and then, when it does step in, shall it merely loan to the States or shall it make grants of money? We are now asked to make a grant of this enormous sum without any chance of possible return.

It is said that the possibilities of the States to borrow have ceased; that some States have no right to borrow, and

some States have exhausted all their borrowing ability, even if they had it. We know, however, that we met this problem last July, when the relief bill was adopted, and we set aside \$300,000,000 to be loaned to States by the Reconstruction Finance Corporation for their relief needs. Of that sum about \$60,000,000 is left today. No reason has been given yet, and I should like to ask the sponsors of this bill if they can give any reason why, if additional help is needed, we cannot follow the same procedure and allocate, through the Reconstruction Finance Corporation, an additional sum to be loaned to States, and where the States may not borrow, to be allocated to them with the understanding that they will be repaid out of future Federal grants for road purposes or for other purposes. In other words, if our paramount purpose is meeting the needs of the people in various States, where they are not able to do it themselves, is it too much to ask that the States shall assume whatever obligation they can, and that they should be willing in the future to receive less from what the Government might otherwise be giving them for other needs?

Is there anything left of our Federal system? Day by day we are asked to consider things which any constitutional student would consider entirely out of the question a few weeks ago. Shall we admit that the whole Federal system is gone? (Should we not remember that our Government is a government of granted powers from 48 sovereign States to the Central Government, and should we not, as far as possible, keep away from the idea of making the Government responsible for employing everybody, for supervising everything, and for giving relief to everybody?)

There is one other point in this bill which is paramount, and that is the method of accounting, so to speak. We have set up in the past a Reconstruction Finance Corporation to lend money to railroads, insurance companies, banks, States and municipalities, agricultural and other organizations, but throughout we have realized, as was well said today by the Chairman of the Committee on Banking and Currency, that we have a kind of bank, a lending agency, to make loans for various specific purposes. Now, for the first time, we are about to use that loaning organization and say to it, "You are to give away one half billion dollars, with no chance of its ever being repaid." In other words, the Reconstruction Finance Corporation would immediately be faced with a half billion dollar deficit; and for what purpose? It is Federal money, of course, because if there is no way in which it can be paid back, it must be paid ultimately by the Federal Treasury. If that is the case, why not face the issue and say, "Here is a certain amount of money which must go for relief. It must be readily available. The Treasury will make it available and pay it under certain conditions." Why put it through the Reconstruction Finance Corporation, unless it is an attempt to conceal what we are really doing, to conceal the fact that we are spending this much money? If the Reconstruction Finance Corporation is a loaning agency, why are we asking it to give away money? If this money is to be given for relief purposes, then let us face the issue squarely. Let us not fool ourselves and pretend when the year is over that we have not spent that money just because we have allowed the Reconstruction Finance Corporation to give it away instead of giving it away from the Treasury directly.

Those are the two most important points in this bill; and in the time that remains for general debate, I believe those points should be met squarely by those who sponsor this bill, and an explanation given to the Members of this House as to why those matters have been handled in the way they have.

Before I conclude I want to quote from the hearings held on this bill. Senator WAGNER, as is well known, sponsored this bill in the Senate. This is a quotation from his testimony in the committee on this very matter, the question of whether it should be a loan or a gift. I asked Senator WAGNER as follows:

Mr. HOLLISTER. Why could not the same result be achieved by merely increasing the \$300,000,000 authorization that was in the relief bill passed last July?

Senator WAGNER. It could have been done that way. This is another method.

Mr. HOLLISTER. It would have escaped entirely the criticism of gift money.

Senator WAGNER. That is true.

Mr. HOLLISTER. It would have left the obligation on the States. Senator WAGNER. Yes. Heretofore the bills I have advocated, and which passed, provided for the advance in the way of a loan, but this is the method which those in authority have agreed upon, and it is agreeable to me.

Mr. HOLLISTER. Why ought we to depart from the idea in the relief bill of last July, shifting now from a loan to a grant, if it is possible still to borrow?

Senator WAGNER. It would only be on the theory that this has become a national matter.

Mr. HOLLISTER. Nobody would starve if we did it the other way.

Senator WAGNER. No. I would say that the President suggested this method.

Now, Mr. Chairman, if the only reason we are adopting this method is because it has been suggested by the President, I say that is not sufficient reason. I say that if we are going to depart from the idea of having the States care for their own and of having the Federal Government keep away from the dole system, we should make that clear.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. HOLLISTER] has expired.

Mr. LUCE. I yield 1 additional minute to the gentleman from Ohio, Mr. Chairman.

(Mr. HOLLISTER. If we are going to depart from the idea which has prevailed heretofore in this country, and if we are going to start on the dole system—the dole system which has brought Germany, England, and other countries into the economic condition in which they are today—I say that we ought to have some clear reason for it, rather than merely the statement that this is the way the President wants it.)

Mr. ROGERS of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. ROGERS of Oklahoma. I take it the gentleman is not in favor of the Federal Government giving money to citizens?

Mr. HOLLISTER. Absolutely not.

Mr. ROGERS of Oklahoma. How, then, does the gentleman justify the State's doing that which the Federal Government should not do?

Mr. HOLLISTER. Because it is not the function of the Federal Government. The powers of the Federal Government are granted to it. Each State is its own sovereignty. Each State should look after its own citizens.)

Mr. ROGERS of Oklahoma. The gentleman does not object to the end sought to be accomplished; he objects to the means used to reach the end.

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, I was very much interested in the remarks of my able and philosophically minded friend from Massachusetts [Mr. LUCE], and I was quite interested in his response to a question propounded by a gentleman on the Democratic side of the aisle as to the regulation of private agencies for the raising and dispensing of money for relief purposes. While I am in accord with his reply, nevertheless, his reply was such as to prompt me to ask the question of the gentleman from Massachusetts that I did, as to whether or not in his opinion this particular bill came within the purview of what is known as the socialistic philosophy of government.

I expected my honorable and distinguished friend to make an honest reply which he did. He evaded the question and frankly stated that he intended deliberately to evade a direct reply. However, the inference was left by him, as the result of his answers, that the provisions of this bill came within the purview of what is known as the socialistic philosophy of government. Of course, he did not intend to convey to the people throughout the country that this bill is socialistic in its character. Nevertheless, such an inference was left by him, and I felt that there should be incorporated in the Record the remarks of some Member

that this legislation is consistent with the predominant philosophical governmental thought that prevails today.

(My friend from Massachusetts knows as well as I do—and far better than I do—and I acknowledge this frankly, because he is one of the most eminent students of government in America today, yes, in the world today—that government has two functions to perform: Primary or essential functions, and secondary or optional functions. My friend knows that the primary or essential functions are military, financial, and civil, the preservation of our country against foreign aggression, the raising of money through taxation to pay the expenses of government, and the protection of our people against internal disorder.) These are functions that any government must maintain. Even the most unstable governments of the world must defend or try to defend its people against a foreign foe, must raise money through taxation to pay the expenses of government, and must try to protect its people against internal disorder. These, in substance, are the primary functions of government.

(Then there are the optional functions of government. Where conditions arise among social and economic groups, and the existing agencies are unable to cope with the same, government is then justified in using its power and influence to assist the social or economic group affected when such assistance inures to the general welfare of the country.

The proper activity of government does not stop when it has performed strictly essential functions. There are many elements of general welfare which would be left unprotected if the proper function of government stopped there. The promotion of the common good requires, indirectly at least, the cognizance and adjustment of problems when they arise, and particularly when no other agency exists capable of establishing and administering policies and making adjustments consistent with the best interests of society as a whole.)

When conditions exist affecting a large group of its people, and private agencies are incapable of handling the same and making the necessary adjustments, government is justified and warranted in taking jurisdiction, under its secondary or optional function, without regard to whether or not precedent exists. (The mere fact that we have never before had to do anything such as is contemplated in this bill does not mean when an emergency exists which requires cognizance of and action by the Government that we have not got the power to do so, and equally that is no reason why we should not do so.

As one great student of government once said:

Since individual welfare is the ultimate, though not strictly the formal object of government, that object ought to be deliberately promoted by government, whenever it cannot be adequately furthered by any other agency.)

Every optional governmental activity is the result of an attempt to regulate abuses that arose under the unrestricted individualistic economic system as created and operated by the so-called "Manchester School of Economic Thought." Our Interstate Commerce Commission was necessary as a result of abuses. Our minimum wage laws were necessary as the result of abuses. All social legislation now on the statute books became necessary as the result of abuses. All our regulatory bodies became necessary as the result of abuses that occurred sometime in the past. The abuses were so numerous and accumulated to such an extent they had to be corrected, controlled, regulated, or removed, if possible. No other agency existed capable of coping with the situation, so naturally Government entered into this field under its optional powers; and this is what we are doing today.

The assumption of government under optional duties or powers is usually based on expediency or necessity due to certain conditions existing. Conditions and circumstances usually determine the obligations and necessity of government's extending its field of optional functions. Under our scheme of government the exercise over optional functions of government is usually, and whenever possible, left to private enterprises and agencies. The fact that we generally follow this practice does not mean that government has not

the right to extend its field when necessity requires. When private agencies are unable to control, regulate, or cope with a situation affecting a large group of our citizens, and if the existing condition, if continued, will affect the general welfare, it is the duty of government to take cognizance of the condition and assume its responsibility.)

Whenever the general interest * * * is threatened with injury which can in no other way be met or prevented, it is the duty of public authorities to intervene. When there is a question of defending the rights of individuals, the poor and the helpless have a claim to especial consideration. The rich have many ways of shielding themselves and stand less in need of help from the State, whereas those who are badly off have no resources of their own to fall back upon and must chiefly depend upon the assistance of the State.

These words are quoted from public utterances of one of the most outstanding and conservative students of government of all time.

This is what we are trying to do in assisting the farmer; this is what we are trying to do in assisting the small-home owner; this is what we are trying to do in assisting the worker; this is what we are trying to do today for those economically in distress.

Our Government, every other agency failing, entering into this field in the exercise of its optional powers, is acting consistent with the present governmental thought. Legislation of this kind is unfortunately necessary at this time and should be passed by an overwhelming vote. [Applause.]

[Here the gavel fell.]

Mr. LUCE. Mr. Chairman, save for the last unfortunate sentence of my friend from Massachusetts, I desire to be put on record as saying "amen" to his whole speech. It did not belong in this discussion, however. We do not differ as to the principles involved. The only question here is one of method. My proposition is that this ought to be a State and local affair, not a National affair.

Mr. Chairman, I yield 10 minutes to the gentleman from Mississippi [Mr. BUSBY].

Mr. BUSBY. Mr. Chairman, no one in this House, I am sure, is unmindful of the general condition that exists throughout the country. I do not believe any of us would preserve property and fail to feed the hungry ones who are to be found on every hand, no matter what method we might have to use to convert that property into buying power and use that buying power to keep people from starving to death; but I am particularly interested in the indifference shown by Members of Congress who make no examination into the things we are proposing to do by this particular legislation.

There has never been this type of legislation enacted by Congress, regardless of the speech of the gentleman from Massachusetts [Mr. McCORMACK] to the contrary. We are here asked, for the first time, to begin a type of continuous doling out of the Federal Treasury so as to meet showings made by States for requirements presented by them to feed the hungry people of such States. There is no showing in the hearings on this bill that it is necessary for any State to come to the Federal Treasury in this sort of way. Even the chief sponsor of the measure, Senator WAGNER, refused to state that New York State could not properly take care of its people and meet the situation presented to that State at the present time. He was pressed on this question, and yet he refused to say that his State could not perform this duty for its people.

If you will examine this bill, you will find it sets up an administrative bureau; and section 6, on page 7, provides that "the administrator upon approving a grant to any State shall certify to the Reconstruction Finance Corporation which shall, except upon revocation of a certificate by the administrator"—unless the administrator withdraws his certificate, the Reconstruction Finance Corporation shall—

make payments without delay to the States in such amounts and at such times as may be prescribed in the certificate.

This is pretty broad power.

We read, on page 6, at line 10, after the word "provided"—

That the Administrator may certify out of the funds made available by this subsection additional grants to States applying there-

for to aid needy persons who have no legal settlement in any State or community.

And in paragraph (e), on page 6, at line 21, we read, and I want you to get the extent of this grant of power—

The decision of the Administrator as to the purpose of any expenditure shall be final.

It does not provide that, the President and the administrator; it says "the administrator."

You will have to read the bill carefully to know what you are doing when you vote on this measure.

I am as humane as any person in this House. The saddest thing I can imagine is little children starving because they have not food to appease their hunger, and I am going to tell you an incident that happened in this very city of Washington about 2 months ago. A grade mother visited one of the schools in this city, and at noontime there was a little boy lying on one of the benches. She went over to him and said, "What is the matter, little man?" He said, "My stomach hurts. Something is gnawing right here [indicating]." She said, "Have you had your lunch?" He said, "No; I have not had any lunch; we did not have anything at home this morning but a few crackers, and mother gave those crackers to me and my little brother and sister; we ate them, and that is all we had, and I had nothing to bring to school." So he had not had any lunch. He did not know what was the matter with him. It was hunger gnawing the very life out of this child, and at the same time Mr. Ballou, the head of the schools of this city, was opposing the using of funds that were proposed to be donated from private sources to keep these children from being hungry, and it was shown that there were many such children here. This is a sad situation to me, and it appeals to me.

I do not think it is necessary for us to come to the Federal Treasury and ask for \$500,000,000 out of the funds that will have to be put into this Treasury by taxation from the people in order to meet situations in several parts of the country. There is no showing in the hearings as to what the different sections of the country need. I asked that this information be given, but it was not furnished. There is nothing definite in the hearings on this bill that would give the House information, if you should read them from cover to cover.

There is no provision that the several States shall participate even according to their requirements.

There must be bureaus set up; there must be agencies established to administer, and there must be other elements of preparatory work before you can even come to the administrator and lay your needs before him and have them considered by him. But there is still another thing which I think we ought to take into consideration.

THIS BILL WILL UNBALANCE THE BUDGET

You know about the first day we met here, there was a tremendous appeal from the President for us to save funds and balance the Budget and cut out people, especially the soldiers of the World War, even though they were suffering disabilities and were destitute and even though they had casualties that kept them from earning a living, and the testimony in this particular hearing shows that two or three hundred thousand ex-service men, admittedly disabled, admittedly in want, will be added to the bread lines to be taken care of out of this fund.

The McDuffie report on the economy bill said as follows:

As of the end of this fiscal year the public debt of the United States Government will have been increased by the amount of approximately \$5,000,000,000 during the course of the last 2 years. The President stated in his message:

"For 3 long years the Federal Government has been on the road toward bankruptcy. For the fiscal year 1931 the deficit was \$462,000,000. For the fiscal year 1932 it was \$2,472,000,000. For the fiscal year 1933 it will probably exceed \$1,200,000,000. For the fiscal year 1934, based on the appropriation bills passed by the last Congress and the estimated revenues, the deficit will probably exceed \$1,000,000,000 unless immediate action is taken. Thus we shall have piled up an accumulated deficit of \$5,000,000,000."

These deficits are without taking into consideration the expenditures for the sinking fund. They are, therefore, actual.

This has had a profound effect upon the credit of our Government. As conclusive evidence it is to be noted that whereas several months ago the rate of interest on 90-day Treasury bills was one tenth of 1 percent, it rose on February 23 to 0.55; on March 1 to 0.99; and on March 6 to 4¼ percent. This cannot be ignored or taken lightly.

But this is not all. On March 15 the Treasury is confronted with a huge refunding operation amounting to \$694,000,000 of 3¼-percent and 2-percent certificates of indebtedness. On May 2 it must refund an additional \$239,000,000 of 2-percent and on June 15, \$374,000,000 of 1½-percent certificates. A total prior to the end of this fiscal year of \$1,300,000,000 must be refunded. And in addition approximately \$300,000,000 must be borrowed to meet the operating expenses of the Government for the remainder of this fiscal year.

The ability to successfully conduct these large operations totaling almost \$2,000,000,000 within the course of the next 3½ months is seriously menaced by the extent to which the United States Government has been in the past living beyond its income and in the absence of drastic and immediate action will continue to do so. The credit of the United States Government is in danger. The first refunding date, March 15, is under our noses. This is the emergency. This is why action must be taken now.

I voted for the economy bill. I voted for that measure in order to help save, as the President pointed out in his message was necessary, four or five hundred million dollars, and proceedings have been put into effect and are now going into force, looking forward to the saving of this money by cutting off disabled veterans of all wars. By my vote, I am not going to undo and belie what I tried to do on that occasion by voting for this appropriation. This simply means taking \$500,000,000 out of the Treasury that we saved in the way the President asked through the economy bill, and delivering it to an administrator to be put wherever he wants to put it, and on whatever showing satisfies him.

I do not expect that my speech will have much effect on the Members sitting here. I do not expect you will spend much time looking into the merits of this bill. When the title of a bill indicates it is for humanitarian purposes, we are all for such things, just as we have passed every kind of farm bill presented here, because the headlines of the bill looked good, and we do not go much further than that to weigh the merits of the proposal. However, I am speaking because of the principle I feel is involved in this proposed legislation.

Now, if I may call your attention to what has happened in countries that have had the dole system, I would read to you from a contemporary English author as to the effect of the dole system on the morale of the English people; and by the way, I have had a number of letters from my district, especially where the colored people have refused to accept employment as long as they are getting these Red Cross sacks of flour donated by the United States Government. They are not going to do anything as long as they get this help. We cannot always discriminate and we cannot always adjust these matters, but let me read you this quotation.

I am reading from page 105 of the hearings:

I am reading from a book the title of which is "The Nineteenth Century (1834)—A History", by Robert Mackenzie. It covers this point so thoroughly that I think it is well to quote from it, that we may get some insight into the practical operations of this type of procedure. [Reading:]

"The evils of pauperism in England had become unendurable, and it was felt that some attempt to remedy them could no longer be delayed. According to the wise practice which about that time came into frequent use, a commission of inquiry was appointed, that legislation might be based on competent knowledge. The investigation of the commissioners revealed a system 'destructive to the industry, forethought, and honesty of the laborers; to the wealth and morality of the employers of labor, and of the owners of property; and to the mutual good will and happiness of all.' The enormous cost of the system—nearly 8,000,000 sterling—was not by any means its most serious aspect. It was achieving with appalling rapidity the utter demoralization of the English peasantry. Already the wholesome repugnance to accept the pauper's dole had become almost extinct. In some counties men refused to work, as they preferred the easier and ampler maintenance of the parish. Wages were supplemented from the rates, and in consequence fell so low that they ceased to yield support to the laborer. There were whole parishes in which the laborers were paid partly by their employers and partly from the rates. There were other parishes where cultivation actually ceased, because the revenue yielded by the land was not equal to the sum extracted for support of the poor. Relief was demanded

as a right, and in some counties was avowedly given to all who applied. Pauperism had become hereditary. Once conceded to the applicant, the privilege was continued during life, and transmitted to his idle and debased progeny. Money thus acquired was spent freely in vicious indulgence. Tradesmen bribed the parish officers to obtain for them contracts at unjust prices. The parochial administration with fatal rapidity was corrupting the poor and consuming the substance of the rich."

I have read to you the experience of one nation which has had this problem repeatedly before it and which has given to us the inkling of the way to begin to dissipate the national wealth through channels that will degrade the people themselves. I want to say that I am wholly in sympathy with feeding the poor and the suffering, but I think that the system that you are initiating here, of asking \$500,000,000, is the wrong system.

Now, I should be willing to lend the cities and States in the several sections of the country that could make a showing of necessity all they need, even if we have to cancel it later, but I am not willing to open the doors of the Treasury in this way and set up a bureau to administer a permanent dole system. [Applause.]

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 3 minutes to the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Chairman, this Nation is on fire—we are informed that over 22,000 suicides have been committed because of the depression—that over 100,000 men, women, and children have died because of malnutrition—malnutrition is the cowardly name that we use for slow starvation—call it malnutrition, but it is starvation just the same. When a condition of that kind exists I am not concerned about the method that is used to put an end to it—I am not concerned about technicalities. Let us stop this starvation. That is the mandate the people gave us last November. I am for this bill as an emergency measure because there are starving men, women, and children due to unemployment because of this depression, and this bill is intended to give immediate relief.

I am fully aware that this depression is not caused by nature, but is man made—that it is due to the fact that a few have monopolized the money of the Nation—that there is not sufficient money in circulation to do the money work—not a sufficient unit of exchange, or yardstick, with which to measure the energy of the unemployed.

I am equally aware that when Congress passes the Frazier bill and puts in circulation from two to three billion dollars of new money—when it passes the Patman bill and pays the soldiers' compensation in cash—not by issuing more tax-exempt interest-bearing bonds and plunging this Nation further in debt but by issuing new currency, the same as we did for the banks—that then there would be no further need for legislation of this kind.

It is easy for us who are still getting three square meals a day to talk about method of procedure and technicalities, but there are several million hungry men, women, and children today in this Nation—they want something to eat, and I do not care by what method you give it to them, the quicker the better. Therefore I am for this bill as an emergency measure. Something must be done, and done now, to help these hungry people.

We should realize that the wealth of this Nation consists not merely of the earth and its resources—but of people. Without men, women, and children all the resources of this great Nation would amount to absolutely nothing. There can be no wealth, in a general sense, without people. There can be no wealth except for the men, women, and children who use it. Therefore we should not destroy the wealth of this Nation by starving millions of men, women, and children and by impairing the health of millions more because of malnutrition. Such a course is blind ignorance, is national suicide, which, if carried far enough, means the destruction of this Nation.

If a foreign nation had destroyed 22,000 of our men and women, and if it were slowly starving another 100,000 of our citizens, we would all be willing to shed our lifeblood and give our property to end that calamity. Why tolerate that on our part that we would not permit another nation to do? Why not feed the hungry men, women, and children? Why not end this starvation? Let us pass this bill.

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The dole system is not a permanent institution in America. We will get permanent relief when we pass the Frazier and the Patman bills. [Applause.]

[Here the gavel fell.]

Mr. LUCE. Mr. Chairman, I yield to the gentleman from Maine [Mr. BEEDY] such time as he desires.

Mr. BEEDY. Mr. Chairman, in the course of the hearings upon this bill it was frankly admitted that there was not available definite information as to the exact number of people in a state of destitution. The truth of that statement will be readily understood. It is easily understandable because we know it is practically impossible from the very nature of the task to obtain accurate statistics of this kind.

But, roughly speaking, we were told that there are 3½ million families which are in a state of dependency. That would mean approximately twelve or thirteen million people.

We are wandering in strange fields today. We are confronting new problems, and no man need be ashamed to say that he does not feel sure of himself.

I do not feel that I am competent to decide all these problems with mathematical exactness or that I have the last word upon them. I never felt more eager to reach out for truth in my life than I have felt at this present session of Congress. Confronted, as we are, with many dilemmas, I think we ought to face this one question pretty squarely. In solving this immediate problem shall we think only of 12,000,000 or 13,000,000 people, or must we take some thought upon our obligation to the other one hundred and seven or eight millions? If we have something in our scheme of government that is worth saving, let us save it in the name of more than one hundred millions of people.

(We must do everything we can within the legitimate scope of our power to promote the general welfare of the Nation, and it is under that clause of the Constitution, and that alone, that any possible power to do what we are now asked to do can be found.) Certain it is that the general welfare is not to be promoted by burdening the General Government until it breaks under the strain. In that event we shall subject 120,000,000 people to chaos and indescribable suffering.

In asking ourselves whether we should support this proposal we should not lose sight of the human tendency, the normal operation of the laws of human nature. Shall this Federal Government, of limited powers, in a time of turmoil, when there is much confusion of thought, when, as the gentleman who has just left the floor, says, the Nation is on fire, shall this Government launch forth upon a program of giving away to the people of the Nation money which it does not have to give—money which it has not yet been able to raise by taxation? With a debt of \$21,000,000,000, with our daily expenses exceeding our daily revenues by millions, I submit that it is extremely dangerous to encourage the belief that anyone who is in trouble, in need, and unemployed may of right come to the Government and get something for nothing. We may take this proposed step; this day we may give the power to a new Federal bureau to give away \$500,000,000 of money yet to be borrowed. If we do it we shall live to rue the day.

The gentleman from Maryland [Mr. LEWIS], who introduced the bill, tells us that we should not consider this paltry \$500,000,000. He asks, "What is \$500,000,000 compared with our power to give?" He says, "Why, Germany this last year gave away \$1,600,000,000 in relief funds." I think I am correct as to the amount he cited. But it must be remembered that poor Germany has been under ever-increasing radical pressure; she has been on fire, not for a few months, but for years. The first demand on Germany was not for \$1,600,000,000. The necessitous situation which confronted Germany has so inflamed radical thought that the masses in their need have been taught to look more and more to the government for help of every kind. This kind of political philosophy has been urged and reurged in Germany until mass demands have been made upon successive governments in Germany, not alone to preserve order, not alone to protect life and property, to encourage legitimate

industry and preserve equality of opportunity for honest labor, but demand at length was made as of right that the public purse be opened by government to feed and clothe and to insure against numerous social hazards the needy and the indolent alike. Such a theory of government encourages indolence and constantly increases want and need.

The first demand in Germany was for less than \$500,000,000, no doubt. But the demand grew. The natural law of human nature multiplied the demands upon government by those who aimed to get something for nothing. When the German Government of the moment undertook to withstand the ever-increasing drains upon the public treasury, its life was threatened. Election succeeded election.

In the ever-growing demands upon government in Germany radical coalitions destroyed one government after another. Each new government has found itself under the necessity of acceding to these radical demands, and what is to be the end God only knows.

Let us turn to England. She started in with old-age insurance. She started in with the policy which the gentleman from Maryland referred to as social insurance, unemployment insurance. At length England succumbed to the demand for a dole. Finally the burden was so great on the exchequer of England that she was dragged off the gold standard, and the evil consequence of that tragic event is not yet in full evidence.

Mr. DUNN. Mr. Chairman, will the gentleman yield?

Mr. BEEDY. Not now. What is it that makes people hungry today? It is lack of employment. If we would reach the vitals of this situation, we must protect our industry and our labor from the products of cheap industry and cheap labor abroad. We Republicans pleaded here in this House for such action at the last session. We next desired to take action at this session of the Congress to stem the increasing tide of unemployment. We said that unless you set up a flexible tariff, which will go up as the money of other countries goes down, we said that unless you take that step you will see more unemployment and more destitution. I said then and I repeat that there are two ways out. Either you must set up this flexible tariff system and protect American labor, or you must go off the gold standard. The latter I considered to be dangerous. However that may be, we are now off the gold standard. By pursuing that course you have instilled fear in the heart of every citizen in this Nation; yes, you have instilled fear in the hearts of other nations, and no man can foretell the wide-spread evil which is bound to follow the debasement of the American dollar.

Let me raise my feeble voice in warning. I will go as far as the next man through a State government to meet any situation of need which arises within the borders of the State, but as long as I have sworn an oath to support this Federal Constitution, as long as I value the American system, I must do my part to save the Federal structure. I cannot vote to launch this Government upon a policy of giving away public money which must be borrowed at a time when we cannot meet our running expenses.

Mr. KVALE. Mr. Chairman, will the gentleman yield?

Mr. BEEDY. The gentleman will please excuse me. It is said there is a saving grace in this bill; that the States are to match the money one dollar for three. But on October 1, 1933, that matching clause expires, and from then on it is a question of what State is going to get how much. Let us take, for example, the Governor of the State of Massachusetts. He has never come to the Federal Treasury and pleaded for money, but after you pass this bill his people are going to say to him, "If you want to be governor of this State, do you think that we are going to sit by and see the great State of New York go in and take \$75,000,000 out of this fund while we take nothing?"

This bill had its birth in New York. They came to our committee and, through Senator WAGNER, they said that they were contributing \$28 for every \$100 spent in running the Federal Government. They urged the passage of this bill, undoubtedly, that they might come in for immediate relief. I said, "Have you gotten to the point where you cannot raise money in the great State of New York to feed your

men and women who need food?" They would not say that they had. They finally admitted that they could raise more money, but evidently they want to come here and get back out of this \$500,000,000 something to compensate them for the 28 percent which they have contributed to the past cost of Federal Government. Seven States can take every cent of this \$500,000,000 relief fund, and the pressure from the wealthy States, with their big cities and their millions of unemployed, will be extreme. I undertake to say that there will be numerous charges and counter charges of gross partiality and favoritism if we launch out upon this program.

I know it is no use for me to talk. I have almost lost the courage to rise here and discuss bills; but yet in the last moment, even as I said to the gentleman from Massachusetts, "I do not know whether I should try to speak or not", something urged me to rise and say what I have said. I have helped make the record. I have given you my thought as it is given me to think. I may be wrong and you of the majority may be right, but I am afraid we are going on a way which will mean a complete disruption of our entire Federal system of government.

I understand that an influential adviser of the President recently said, "I think the people voted for 'the left' at the last election, and they are going to get 'the left'"; and we are getting it. God save the people of the United States from the dangers that I see confronting us in the future. [Applause.]

The CHAIRMAN. The time of the gentleman from Maine [Mr. BEEDY] has expired.

Mr. STEAGALL. Mr. Chairman, I shall not make answer to the charge of my good friend from Massachusetts, that those responsible for this legislation are attempting to deceive the public. That is rather a harsh charge. I shall content myself by saying that the Reconstruction Finance Corporation is permitted to issue its own obligations to obtain money, and there is left over in the Corporation now fifty or sixty million dollars of funds. No one knows that it will be necessary to use the entire amount of \$500,000,000 provided in this bill; and, of course, with the financing program that confronts the Treasury, it is desirable that we make the best showing we can. We do not desire to show an item of one half billion dollars when it is not known that such an amount will be required.

The suggestion has been made that this measure is a form of socialism. I do not know who there is left in this House that is in a position to complain about that. I know I am not. I know the gentleman from Massachusetts [Mr. LUCE] is not. He and I have been joint sinners during the former administration in passing the Reconstruction Finance Corporation Act and other legislation of similar type. I think the gentleman will agree with me that he and I, at least, are estopped from complaining about anything socialistic in this legislation. (There are abundant precedents to support this policy of having the Government supply aid, to supply food and clothing and shelter to relieve citizens in distress. We have done it for people in foreign lands; we have done it in various instances for our own citizens at home. That is all we are doing now.) [Applause.]

The CHAIRMAN. The time of the gentleman from Alabama has expired. All time has expired. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That the Congress hereby declares that the present economic depression has created a serious emergency, due to wide-spread unemployment and increasing inadequacy of State and local relief funds, resulting in the existing or threatened deprivation of a considerable number of families and individuals of the necessities of life, and making it imperative that the Federal Government cooperate more effectively with the several States and Territories and the District of Columbia in furnishing relief to their needy and distressed people.

Sec. 2. (a) The Reconstruction Finance Corporation is authorized and directed to make available out of the funds of the Corporation not to exceed \$500,000,000, in addition to the funds authorized under title I of the Emergency Relief and Construction Act of 1932, for expenditure under the provisions of this act upon certification by the Federal Emergency Relief Administrator provided for in section 3.

(b) The amount of notes, debentures, bonds, or other such obligations which the Reconstruction Finance Corporation is au-

thorized and empowered under section 9 of the Reconstruction Finance Corporation Act, as amended, to have outstanding at any one time is increased by \$500,000,000: *Provided*, That no such additional notes, debentures, bonds, or other such obligations authorized by this subsection shall be issued except at such times and in such amounts as the President shall approve.

(c) After the expiration of 10 days after the date upon which the Federal Emergency Relief Administrator has qualified and has taken office, no application shall be approved by the Reconstruction Finance Corporation under the provisions of title I of the Emergency Relief and Construction Act of 1932, and the Federal Emergency Relief Administrator shall have access to all files and records of the Reconstruction Finance Corporation relating to the administration of funds under title I of such act. At the expiration of such 10-day period, the unexpended and unobligated balance of the funds authorized under title I of such act shall be available for the purposes of this act.

Mr. HOLLISTER. Mr. Chairman, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. HOLLISTER: On page 2, line 12, strike out the period and add the following: "And all funds so made available shall be subject to the terms of paragraph (b), section 1 of title I of the Emergency Relief and Construction Act of 1932: *Provided, however*, That nothing in this section shall be construed to authorize the corporation to deny an otherwise acceptable application under this act because of constitutional or other inhibitions, or because the State or Territory has borrowed to the full extent authorized by law."

Mr. HOLLISTER. Mr. Chairman, the last part of this amendment is identical in wording with language found in paragraph (b), section 1, title I, of the Emergency Relief Act of 1932, which the first part of the amendment specifically incorporates in this bill. This language is inserted so that no State, no matter what its financial condition is, no matter what its constitutional inhibitions are, whether it may or may not have reached the limit of its borrowing power, may still, under this provision, borrow from the Reconstruction Finance Corporation for relief purposes.

The sole purpose of this amendment is not to change by one jot or one tittle the form of organization which has been set up in this present bill. It still leaves the discretion in the President; it still leaves discretion in the relief administrator; it still leaves the amount of the fund the same; it still divides the fund into two parts, one which will be permitted to be drawn on for matching purposes and the other for general purposes. All it does is to remove the provision for making a direct grant the giving away of the money of the Federal Government for relief purposes. It simply keeps what I am sure, on sober, second thought we shall all agree ought to be kept. It keeps the Government from going into the direct-relief business. It obligates the States to repay the money when and if they can, no matter how far deferred in the future the repayment may be.

I say if we do not put in this amendment or if we adopt the bill in its present form, we are embarking on the dole system which has brought other countries of this world into the condition they are in today, a system which we shall never be able to stop and which will get worse and worse until the half billion dollars which we are talking about today has reached many billions.

The acceptance of this amendment changes nothing. It makes the money just as much available for relief, but it says that the Government expects the States will pay it back in the future.

Mr. O'MALLEY. Will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. O'MALLEY. Are not the banks and the railroads on the dole system now?

Mr. HOLLISTER. The banks and the railroads have borrowed money from the Reconstruction Finance Corporation. They borrowed the money, and I am asking that the States do the same thing. If that is a dole, then the State would be on the dole system.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. HOLLISTER. Yes.

Mr. ZIONCHECK. Is the gentleman so optimistic as to think that these institutions will pay this money back at any time?

Mr. HOLLISTER. If the present system of legislation is carried to its logical conclusion, most decidedly not.

Mr. ZIONCHECK. If the gentleman will permit a further question, it has come from my district that Reconstruction Finance Corporation, or R.F.C., means "relief for capitalists." Does the gentleman believe in that and not in relief for the poor people?

Mr. HOLLISTER. No; it is relief for everybody if its original purpose had been properly carried out.

Mr. ZIONCHECK. But it has not been followed out in that way.

Mr. HOLLISTER. It has been followed as closely, I think, as the members of the Reconstruction Finance Corporation Board could do under the circumstances. I have great respect for the members of the board. I think they are doing the best job they can under the circumstances. [Applause.]

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, the amendment offered by the gentleman from Ohio would tear the heart out of this bill. The effect of the amendment is merely to add \$500,000,000 to the funds of the Reconstruction Finance Corporation to be lent to the States under the terms of the Emergency Act of 1932. It is simply an abandonment of the purpose and the philosophy of this bill and a return to the loan system embodied in the Relief Act of 1932.

It has been demonstrated that the relief under that act did not, and could not, meet the necessities of the situation, and the plain fact is that it is ridiculous, if we wish to do so, to attempt to return to the loan system in the case of States and municipalities that have gone the limit of their power to tax, and this is the general rule in this country. States, counties, and municipalities now find themselves helpless in any effort to raise additional funds by taxation. Under the admission of the gentleman, and under the very terms of the amendment itself, States would be relieved from all constitutional limitations in contracting for loans. They would be authorized to borrow in excess of the authority of the constitutional powers of the States. Of course, under such conditions, no legal contract of repayment could be made. All thought of legal contracts is a mere fiction.

The amendment would destroy this bill, and if the committee desires to do that they should vote for it. If not, the amendment should be voted down.

I may say to the membership of the committee that for one I followed the leadership of the President of the United States in 1932 in passing relief legislation. The act of 1932 was an administration measure, having the approval of the President of the United States at that time. The bill now before the House is a bill sponsored and supported by the present administration, and is approved by the present occupant of the White House. It is his method of dealing with the problem of relief. The plan is to set up an administration with the right to go into the States and communities and find out the requirements and then brush aside obstacles that stand in the way of efforts to feed the hungry and clothe the naked and furnish shelter for helpless women and children in the United States. [Applause.]

Mr. LUCE. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, the good will entertained by myself toward the chairman of the committee, and I am proud to hope by himself toward me, may insure that a comment on his remarks is meant in no discourteous or unfriendly manner. I wish to remind him that through centuries it has been deemed contrary to good parliamentary procedure to instruct a legislative body as to the wishes of a Chief Executive. The precedents are numerous and clear. We may as well frankly recognize the fact that the Congress of the United States has in truth abdicated its responsibilities, yet I beg gentlemen on the other side not to add to the humiliation of the Congress by needless use on the floor of orders that come from the other end of the Avenue.

Now, sir, I should like to say that I did not introduce the subject of socialism into the debate. I had not used the word until some gentleman on the other side by questioning me put me in an awkward position of answering.

When it came to my friend from Massachusetts I told him frankly—because I could afford to—that I did not mean to answer his question. I desired to keep such extraneous topics outside of the discussion.

Here is the straight, clear issue whether you want to give or you want to lend. My friend, the chairman of the committee, exaggerates when he says that this amendment will take the vital part out of the bill. It will still leave all of the obnoxious provisions that I have called attention to, I have no doubt. Now, the question is whether you want to be a giver or a lender, and on that you will either vote up or vote down this amendment. [Applause.]

Mr. BYRNS. Mr. Chairman, I move to strike out the last word. I have been somewhat amused at some of the arguments presented this afternoon by the opposition to this bill. My distinguished friend from Massachusetts, Mr. LUCE, for whom I have a very high regard, becomes very sensitive lately when mention is made of the fact that the administration favors a measure.

All the Members of the previous Congress know that when the Reconstruction Finance Corporation bill was passed in 1932 we were told, not only by message, but in argument on the floor of this House, that the President of the United States, at that time Mr. Hoover, was very anxious to see that bill passed and felt that it should be passed in order to relieve a serious situation.

I heard no such speech made then as the gentleman from Massachusetts has just made, although he was a Member of the House and participated, as I recollect, in that debate.

The gentleman has referred to the fact, as have other speakers in opposition to the bill, that it is a contribution, a gift by the people to the States of this Nation, and yet the gentleman's own party passed bills appropriating millions of dollars for the citizens of foreign countries as a gift, and for no other purpose. [Applause.]

(I can see an abundance of reason for supporting this bill when Congress, for the relief of Russia and the relief of those who were living in Belgium, because it was told they were starving, appropriated millions of dollars for their relief. Then why, if in the judgment of the President, relief should be afforded to our own people, suffering women and children, should we not appropriate this money to the various States? It will not do now to say that this is a dole or a contribution which is being made for the relief of suffering for the people of our country, when Congress has granted that relief for the people of foreign countries.)

I hope this bill will pass just as it has been reported by the Committee on Banking and Currency. I do not want to offend my friend from Massachusetts, Mr. LUCE, but I think it is generally understood that the administration favors this bill as it is written and believes that it is necessary under the circumstances. It is discretionary with the President. If he feels that all this amount is not needed, he does not have to use it; but, in God's name, if it is needed to relieve starving children and suffering women, let us vote for it. I am sure that it will meet the approval of the people and the taxpayers of the country when we do it. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The question was taken; and on a division (demanded by Mr. LUCE) there were—ayes 61, noes 180.

So the amendment was rejected.

Mr. TREADWAY. Mr. Chairman, I move to strike out the last word. The reason I ask recognition at this time is to call attention to a resolution which I introduced on April 3, House Resolution 91, relative to the jurisdiction of the Senate in passing the so-called "Wagner bill." That is a matter of record on page 1132 and page 1133 of the RECORD. I shall not refer to it further. On the following day a long colloquy was had covering several pages of the RECORD, and eventually the so-called "Treadway resolution" was referred by the Speaker to the Committee on the Judiciary. That was on the 4th of April. It was referred to that committee for their consideration of the question involved in the original resolution, and that is as to whether

or not such a bill should have come to the House from the Senate or whether the House should not return the bill to the Senate without action. In the meantime the so-called "Lewis bill", identical with the Wagner bill, was introduced, so that the House then naturally had proper consideration of the subject. On April 6 there was still further colloquy on the floor in reference to this subject matter, and on page 1354 of the RECORD the majority leader made the following statement:

I think the House should dispose of the Treadway resolution before we consider either the Senate or House bill.

Mr. Chairman, I have relied upon that statement of the majority leader and have believed that this measure would not come up until such time as the Committee on the Judiciary saw fit to decide the question involved in the original resolution. I do not question the fact that this bill now before us is properly here. Of course, it is. Nevertheless, a constitutional question was presented by my resolution, a question which many Members of the House thought to be very serious. I understand, further, that immediately the Committee on the Judiciary appointed a subcommittee to consider the question, and I understand, indirectly, not officially, that that subcommittee reported its findings to the full Committee on the Judiciary. The question I propound now is, Why was this bill brought up before the committee reported its findings to the House, and what becomes of the statement of the distinguished gentleman from Tennessee [Mr. BYRNS] that he thought that before either bill should be considered the House should have that report from the Committee on the Judiciary?

Mr. BYRNS. Mr. Chairman, I do not want to take the time of the committee unnecessarily, but in view of the remarks of my friend from Massachusetts [Mr. TREADWAY] I may say that my remarks with reference to the House bill, quoted by him, perhaps should be classed as surplusage.

Mr. TREADWAY. Oh, nothing coming from the gentleman would be so regarded.

Mr. BYRNS. It was unnecessary for me to refer to the House bill, because, of course, the gentleman's objection to the consideration of the Senate bill did not carry with it an objection to the House bill. I felt at the time that it might be possible to dispose of the question raised by the gentleman from Massachusetts in ample time to have the Senate bill quickly considered, passed, and made a law, because I think all will agree that if this is what we intend to be, a relief measure, it is important that it should become a law as quickly as possible.

There can be no objection to passing the House bill and sending it over to the Senate and permitting the Senate, if it chooses, to pass the House bill, and then to lay the Senate bill, now on the Speaker's desk, on the table. When it appeared that owing to a tremendous amount of business before the Committee on the Judiciary there was going to be some delay in the consideration and report of the resolution introduced by the gentleman from Massachusetts, the gentleman from Alabama [Mr. STEAGALL], who is Chairman of the Banking and Currency Committee, took up this bill, as I think he was justified in doing. It is now before the House, and as the gentleman from Massachusetts says, it is properly before the House.

Mr. HOEPEL. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. HOEPEL: Page 2, line 7, after the word "exceed", strike out "\$500,000,000" and insert in lieu thereof "\$750,000,000"; and on page 2, beginning in line 17, strike out "\$500,000,000" and insert in lieu thereof "\$750,000,000."

Mr. HOEPEL. Mr. Chairman, I am in favor of this bill, and I favor this amendment because I am of opinion that the bill is not far-reaching enough. Five hundred million dollars under the circumstances is insufficient, and I hope that you gentlemen will support this amendment to increase the amount to \$750,000,000.

In the early days of this session we were told the House was on fire and that we must act. What did we do? We

voted to take \$500,000,000 away from the veterans and Federal employees, but today when the American Nation is prostrate, when the blood is flowing from its veins, we are here discussing the question, and you gentlemen are ridiculing the fact that I am trying to bring more money to the impoverished American citizen. I contend that that is just exactly what is wrong with our country today. Members of the Congress today are not considerate enough of the plight of the American Nation. As I mentioned a moment ago, the people of this Nation are lying prostrate. The blood is flowing from their veins, and what do we do? We sit and quibble whether or not we are going to apply a tourniquet or whether we will sew up the wound and let the blood flow freely again. I say we have been derelict in our duty in the past, and we are derelict now when we try to hold down this appropriation to only \$500,000,000. It is insufficient. Our friends on the Republican side are opposing this bill because they claim it is a dole. There is no greater dole than the dole the American Nation is giving today in the high interest rates they are paying on Government tax-exempt bonds.

Mr. BROWN of Kentucky. Will the gentleman yield?

Mr. HOEPEL. I yield.

Mr. BROWN of Kentucky. Does not the gentleman think it would be better if we increased this to \$500,000,000,000 instead of \$500,000,000?

Mr. HOEPEL. Seven hundred and fifty million is my amendment.

Mr. BROWN of Kentucky. But if we increase it to \$500,000,000,000, does not the gentleman think that would be better? [Laughter.]

Mr. HOEPEL. Answering the ridiculous question of the gentleman, I fear he is speaking in German currency. We are giving the bondholders of the 4½-percent Liberty loans an annual interest subsidy of \$270,000,000. I say if we wish to do something for our people, let us recall those bonds and pay them in currency. Then we will at least save \$270,000,000 a year in interest which could be applied to this expenditure for relief purposes.

I should like to call attention to the fact that there is one weakness in this bill, and that is that it provides for the issuance of 4-percent bonds. The American Nation today has over \$1,000,000,000 in postal deposits, which billion dollars or more is turned over to the American bankers at 2½ percent. Under this bill the bankers can relend this Postal Savings deposit of one billion to the Government in 4-percent bonds. In other words, you are giving the bankers in this bill \$15,000,000. I contend that the right of the American people to be properly taken care of in their distress is paramount to that of the American banker. If we can pass legislation to take from the veterans and Federal employees that which is properly due them, I say that we at the same time can take from the bankers the exorbitant interest rates which we are paying on bonds. At the same time we should enact legislation which will prevent further issuance of tax-exempt securities.

Mr. BOILEAU. Will the gentleman yield for a parliamentary inquiry?

Mr. HOEPEL. I yield.

Mr. BOILEAU. Mr. Chairman, would it be in order to move to adjourn until such time as the Membership are willing to extend the proper courtesy to a Member of the House while he is addressing the Committee? If so, I should like to make that motion.

The CHAIRMAN. The gentleman is not recognized for that purpose.

Mr. HOEPEL. It is pleasing to me, in a sense, and I hope this will be properly recorded in the RECORD, in order that the people throughout the highways and byways of America, the people who are suffering, may know just exactly how this Congress is reacting to a proposition to bring to them the necessary relief which they require and which they should have, and which is not covered in this bill.

The CHAIRMAN. The time of the gentleman from California [Mr. HOEPEL] has expired.

Mr. STEAGALL. Mr. Chairman, I move that all debate on this section and all amendments thereto do now close. The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. HOEPEL]. The amendment was rejected.

The Clerk read as follows:

SEC. 3. (a) There is hereby created a Federal Emergency Relief Administration, all the powers of which shall be exercised by a Federal Emergency Relief Administrator (referred to in this act as the "Administrator") to be appointed by the President, by and with the advice and consent of the Senate. The Administrator shall receive a salary, to be fixed by the President, and necessary traveling and subsistence expenses within the limitations prescribed by law for civilian employees in the executive branch of the Government. The Federal Emergency Relief Administration and the office of Federal Emergency Relief Administrator shall cease to exist upon the expiration of 2 years after the date of enactment of this act, and the unexpended balance on such date of any funds made available under the provisions of this act shall be disposed of as the Congress may by law provide.

(b) The Administrator may appoint and fix the compensation of such experts, and, subject to the provisions of the Civil Service laws, appoint, and, in accordance with the Classification Act of 1923, as amended, fix the compensation of such other officers and employees as are necessary to carry out the provisions of this act; and may make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere and for printing and binding), not to exceed \$350,000, as are necessary to carry out the provisions of this act, to be paid by the Reconstruction Finance Corporation out of funds made available by this act upon presentation of vouchers approved by the Administrator or by an officer of the Administration designated by him for that purpose.

(c) In executing any of the provisions of this act the Administrator, and any person duly authorized or designated by him, may conduct any investigation pertinent or material to the furtherance of the purposes of this act, and at the request of the President shall make such further investigations and studies as the President may deem necessary in dealing with problems of unemployment relief.

(d) The Administrator shall print monthly, and shall submit to the President and to the Senate and the House of Representatives (or to the Secretary of the Senate and the Clerk of the House of Representatives, if those bodies are not in session), a report of his activities and expenditures under this act. Such reports shall, when submitted, be printed as public documents.

Mr. FULLER. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. FULLER: Page 4, line 2, after the word "and", strike out the words "subject to the provisions of the Civil Service laws, appoint, and, in accordance with the Classification Act of 1923, as amended,".

Mr. FULLER. Mr. Chairman, you can always tell when those materially interested in civil service and those who want to hold the jobs themselves have placed language in a particular bill. To my amazement and surprise, in a case where it provides for a dole or a charity to help the unemployed, the Civil Service employees have inserted a clause here providing that this law shall be administered by them.

I noticed in the press that the administration says it will dispose of 30,000 of them who have now been in the Service 30 years or more, and will retire them in order to give labor to others. The amendment I have offered does not affect the passage of this bill in any shape or form. It does not go to the heart of any part of the language that is really a part of the bill. Not only that but if we stop to think about it for a moment, this is a bill for the relief of the distressed people of this country. If there is going to be some relief aside from a dole and a gift to people, let us place some people in charge who are out of employment and let them labor under this law.

We all know that in the administration of the emergency law that was passed some time ago it was not a question of politics, and it is not going to be a question of politics here, but in every State where it is more or less controlled by State organizations, we have charitable organizations and private citizens who do this work without pay. We have county and State units, and hire a few to look after the funds, generally keeping books, and these employees are paid small salaries. Under the terms and provisions of this bill, we would have to call in the Civil Service to administer this

law back in our county, back in our towns in the State from which we come. The Civil Service employees draw substantial salaries. A measure for the relief of the poor and needy—charity—a dole—is certainly one ideal case when the Civil Service should not apply.

This language should be eliminated. There is no reason why it should be retained in the bill and the Civil Service employees be allowed to administer the law. There are plenty of people out of employment who can do this work just as well as those who are under Civil Service. The language of the bill states:

Fix the compensation of such other officers and employees as are necessary to carry out the provisions of this law.

That does not mean here in the Washington office but all out in the States where this money is going to be distributed to feed the hungry and clothe the destitute. Leave it as it has been in the past. Let this law be administered as are the other laws of the country.

Mr. COCHRAN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. FULLER. I yield.

Mr. COCHRAN of Missouri. The gentleman's amendment would in no way prevent the employment of a person who happened to be in the Civil Service if the administration wanted to employ him?

Mr. FULLER. Certainly not.

Mr. COCHRAN of Missouri. This makes it optional.

Mr. FULLER. It leaves it to the Administrator.

Mr. COCHRAN of Missouri. It leaves it optional with the Administrator, just as was done in the case of the Reconstruction Finance Corporation Act.

Mr. FULLER. That is it exactly. This has been the history of all these bills. The way it is now provided in the bill out in the field, in the little hamlets, or out on the public roads, no officials can draw compensation unless they are taken from the Civil Service list. [Applause.]

Mr. GOLDSBOROUGH. Mr. Chairman, I rise in opposition to the amendment.

The purpose of inserting the Civil Service provision in this bill was in order that the bill might not bear any political complexion whatever. The number of employees involved is very trivial. The fund is very limited.

Mr. FULLER. How much does it amount to? Three hundred and fifty thousand dollars.

Mr. GOLDSBOROUGH. If this provision had not been placed in the bill, the charge would have been made that it was an administration measure to be used for political purposes in the various States. This is the reason the provision was included in this humanitarian bill. We thoroughly understand it. It was discussed with the administration and we hope the amendment will not be supported.

Mr. ALLGOOD. Mr. Chairman, will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. ALLGOOD. The Civil Service provision was not included in the Reconstruction Finance Corporation Act. The employees administering that law were not put under civil service.

Mr. GOLDSBOROUGH. That was a business proposition, not a humanitarian one.

Mr. ALLGOOD. They have filled up the Civil Service lists. No more Civil Service examinations will be held, and the people on the outside who need jobs have not a chance in the world of getting them. [Applause.]

Mr. GOLDSBOROUGH. I will say to the gentleman that I hope he is no more sympathetic toward getting positions for our people than I am.

I may say to him that this provision was inserted in this bill deliberately in order that the country might know it was a humanitarian and not a political measure.

The CHAIRMAN. The question is on the amendment of the gentleman from Arkansas.

The amendment was agreed to.

Mr. BEEDY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BEEDY: Page 3, line 15, after the word "salary", strike out the words "to be fixed by the President" and insert "not to exceed \$8,500."

Mr. BEEDY. Mr. Chairman, I do not care to take the time of the Committee to make a speech on the proposed amendment. It speaks for itself. It involves a question which I raised in committee. I then stated I could not conceive it possible that any man big enough to administer this relief fund would think of asking the country to pay him more than the Members of Congress themselves receive.

I may add that I think perhaps it would also look better to the country if we were to put a limitation upon the salary to be paid the Federal administrator rather than to leave ourselves open to the charge of empowering the President to do as he pleased with this particular bill in the way of salary.

I offer the amendment and hope it will be incorporated in the bill in the interest of common sense and prudence.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. BEEDY. I yield.

Mr. GREEN. I think the gentleman is absolutely correct. In fact, in an emergency like this somebody ought to do this relief work for \$1 a year.

Mr. BEEDY. It may be difficult to find anybody who could give his entire time without compensation. I think we ought to get a big, broad-gaged humanitarian who would not ask us more than \$8,500 a year. I do not think we should leave the burden on the President and leave the door wide open for the exercise of pressure on the Chief Executive, to the end that somebody be given this job at a high salary.

Mr. STEAGALL. Mr. Chairman, will the gentleman yield?

Mr. BEEDY. Certainly.

Mr. STEAGALL. May I ask the gentleman if he does not think, in the light of present developments, we might trust the Chief Executive to limit these salaries to proper amounts?

Mr. BEEDY. I will trust him; but if the gentleman from Alabama were in the President's place, I think he would welcome this particular amendment.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. BEEDY. I yield.

Mr. FITZPATRICK. Would the salary of \$8,500 a year be subject to the 15-percent cut?

Mr. BEEDY. No; because this is a special salary provided for after the passage of the Economy Act. I do not think it would be affected by the Economy Act at all.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine.

The question was taken; and on a division (demanded by Mr. BEEDY) there were—ayes 135, noes 64.

So the amendment was agreed to.

Mr. FULLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FULLER: On page 4, line 4, strike out the words "fix the compensation of."

Mr. FULLER. Mr. Chairman, several of the Members have called my attention to the fact that since the adoption of the amendment I offered a moment ago, these words are superfluous, inasmuch as they occur in line 1, and, therefore, the four words "fix the compensation of" should be stricken out. I have examined the text, and I think this should be done.

This is a perfecting amendment and simply makes the language absolutely clear.

The amendment was agreed to.

The Clerk read as follows:

Sec. 4. (a) Out of the funds of the Reconstruction Finance Corporation made available by this act, the Administrator is authorized to make grants to the several States, to aid in meeting the costs of furnishing relief and work relief in the form of money, service, materials, and/or commodities to provide the necessities of life to persons in need as a result of the present

emergency, and/or to their dependents, whether residents, transient, or homeless.

(b) Of the amounts made available by this act not to exceed \$200,000,000 shall be granted to the several States applying therefor, in the following manner: Each State shall be entitled to receive grants equal to one third of the amount expended by such State, including the civil subdivisions thereof, out of public moneys from all sources for the purposes set forth in subsection (a) of this section; and such grants shall be made quarterly, beginning with the second quarter in the calendar year 1933, and shall be made during any quarter upon the basis of such expenditures certified by the States to have been made during the preceding quarter.

(c) The balance of the amounts made available by this act, except the amount required for administrative expenditures under section 3, shall be used for grants to be made whenever, from an application presented by a State, the Administrator finds that the combined moneys which can be made available within the State from all sources, supplemented by any moneys, available under subsection (b) of this section, will fall below the estimated needs within the State for the purposes specified in subsection (a) of this section: *Provided*, That the Administrator may certify out of the funds made available by this subsection additional grants to States applying therefor to aid needy persons who have no legal settlement in any one State or community, and to aid in assisting cooperative and self-help associations for the barter of goods and services.

(d) After October 1, 1933, notwithstanding the provisions of subsection (b), the unexpended balance of the amounts available for the purposes of subsection (b) may, in the discretion of the Administrator and with the approval of the President, be available for grants under subsection (c).

(e) The decision of the Administrator as to the purpose of any expenditure shall be final.

(f) The amount available to any one State under subsections (b) and (c) of this section shall not exceed 15 percent of the total amount made available by such subsections.

With the following committee amendment:

Page 5, line 8, after the word "relief", insert the words "and in relieving the hardship and suffering caused by unemployment."

Mr. STEAGALL. Mr. Chairman, this is merely a perfecting amendment to make the language conform with the title, and I ask for the adoption of the amendment.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. STEAGALL. Yes.

Mr. VINSON of Kentucky. In connection with the amendment, as I recall, the existing law carries the words "furnishing relief and work relief and in relieving the hardship and suffering caused by unemployment." Is it the intent and purpose of subsection (a) of section 4 to continue the work that has been carried on under the Reconstruction Finance Corporation in relieving distress?

Mr. STEAGALL. That is the purpose; yes.

The amendment was agreed to.

With the following further committee amendment:

Page 5, line 15, strike out "\$200,000,000" and insert "\$250,000,000."

Mr. STEAGALL. Mr. Chairman, this is a committee amendment which I explained in my statement to the committee and which I hope will be adopted. I think there is no difference of opinion in the committee about it and I hope there will be no controversy over the proposed amendment.

Mr. TARVER. Mr. Chairman, I rise in opposition to the committee amendment.

I am somewhat surprised that the chairman states that in his remarks to the committee he explained this amendment. I listened attentively to the remarks of the chairman in explanation of the bill and asked the chairman to explain to the committee why this amount had been increased from \$200,000,000 to \$250,000,000. He did not answer my inquiry with regard to the reason of the committee for increasing the amount and I have since carefully examined the full transcript of his statement made to the committee and find no reference thereto made therein.

Mr. GOLDSBOROUGH. May I answer the inquiry of the gentleman?

Mr. TARVER. In just a moment.

This is the portion of the bill dealing with the proportions in which the \$500,000,000 shall be used. The first proportion affected here was contained in the Senate bill as \$200,000,000 and set out in the House bill when it was introduced

as \$200,000,000, being the part of the \$500,000,000 which is used in matching expenditures made by the States, and leaving a balance of \$300,000,000 to be distributed on the basis of need, without regard to what amount may have been expended by the States.

Now, it is proposed by the committee to increase the first-mentioned fund to \$250,000,000 and thereby take away from the second fund, which is to be distributed on the basis of need, \$50,000,000, leaving the second fund only \$250,000,000. Most of the States of the Union, and if I have been correctly informed, 40 of them, are prohibited by their constitutions from making appropriations from public funds for relief purposes. Therefore, only eight of the States, including, I think, Illinois, New York, Michigan, and Pennsylvania, could participate in the first portion of this fund, and it does seem to me that until some reason is advanced by the committee why the amount of \$200,000,000 for the benefit of these few States should be advanced to \$250,000,000, we ought to be willing to retain in the bill the \$300,000,000 for the benefit of the States that are deprived of participating in the first fund.

In these 40 States most of the relief work has been done by charitable organizations and by private contributions. This cannot be considered in the apportionment of the amount carried under subsection (b) of section 4. Only the amounts that have been expended from public funds by the States, which, of course, include any subdivision of the States, can be included.

In my State, and I suspect the same condition exists in many States, while the State is prohibited by the Constitution from making any appropriation for relief, some appropriations are made by counties and by municipalities, but these pale into insignificance compared with the amount of expenditures that are made by charitable organizations and which arise from private contributions.

Now, why should we provide, as I have said, to sum up \$250,000,000 for 8 States of the Union and only \$250,000,000 for the other 40 States? Why not reject the committee amendment and leave the \$200,000,000 as provided in the Senate bill and as provided in the bill of the gentleman from Maryland [Mr. Lewis], upon its original introduction, for the 8 States and let the other 40 States have three fifths of the fund?

I yield now to the gentleman from Maryland who stated he is in position to explain the matter, and I hope that now some member of the committee, either the gentleman from Maryland or someone else, will be willing to tell us why the committee thought it necessary to raise the first amount to \$250,000,000 and deprive the second fund of \$50,000,000.

Mr. GOLDSBOROUGH. The situation is this. It may be improper for me to make the statement, but an amendment was offered to fix the amount at \$350,000,000, and there was a good deal of sentiment for it. The Member making that motion changed it to \$300,000,000, and it was obvious that it would carry, and so a substitute was moved and the substitute was agreed to.

Mr. TARVER. Then those of you who did not want any change would be better satisfied to leave it as it was originally introduced.

Mr. GOLDSBOROUGH. I have said all I want to, and perhaps I have said more than I ought to.

The CHAIRMAN. The question is on the committee amendment.

The question was taken; and on a division (demanded by Mr. LUCE) there were 142 ayes and 49 noes.

Mr. PARKER of Georgia. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed Mr. STEAGALL and Mr. TARVER as tellers.

The Committee again divided, and the tellers reported that there were 183 ayes and 44 noes.

So the committee amendment was agreed to.

Mr. HASTINGS. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 6, line 24, after the word "shall", strike out the remainder of section 4 and insert "be in proportion to the population of each State."

Mr. HASTINGS. Mr. Chairman, this is a sympathetic amendment. I am in favor of the bill. Let me explain the effect of the amendment. Examine the printed copy of the bill. Section 4 provides for the amount available. In subsection (f) it is provided that the amount available to any one State shall not exceed 15 percent of the total amount made available by such section.

The amendment I propose would distribute it according to the population of each State. Mr. Chairman, there is distress in every State in the Union. There is not an exception in a single county in the entire Nation, and unless this bill is amended there is no direction to the administrator as to how this \$500,000,000 is to be distributed.

Let me call your attention to the fact that under paragraph (f) it provides that not more than 15 percent shall go to any one State.

Now, 15 percent of \$500,000,000 is \$75,000,000. Seven times \$75,000,000 will amount to \$525,000,000 and will more than exhaust the \$500,000,000.

So it is possible under the terms of subsection (f), if not amended, for all this money to go to not more than seven States of the Union.

Let us grant relief to every State. This distribution is made upon the application of the Governors of the several States and supervised by the State relief committee or officer under the general supervision of the Governor of the State.

If anyone from your own State writes you and asks whether we passed a relief bill in Congress, you would reply that we did; that we provided for a distribution of \$500,000,000. You will then be asked how the citizens of each State are going to know the amount any State will receive. There is distress in every county and State in the Union, and I would not vote to withhold relief; but I do not see how any Member of Congress on either side of the aisle, when he or she knows there is distress in each State in the Union, can afford to vote against an amendment that would insure an equitable and fair distribution of this money to the several States in proportion to the population of each State. I sincerely hope that the amendment will be adopted.

Mr. LUCE. Mr. Chairman, I ask for better order in the Chamber so that I may lay before the committee the most remarkable examples of altruism on the part of Members of Congress that have ever come to my attention. The gentleman whose name this bill ordinarily carries comes from the State of New York. His altruism consisted in presenting to the committee an argument for a bill whereby, as he said, his State would give \$28 and get back \$15. Nevertheless, such was his great interest in the rest of the country, that his benevolence showed itself to be unbounded benevolence. He committed himself to a bill whereby his State gives \$28 and gets back \$15.

Now comes the gentleman from Oklahoma [Mr. HASTINGS] with an amendment. His State, as the bill stands, will get more money than under his proposal. He asks us to amend the bill so that Oklahoma may receive less of the bounty of the Nation than it otherwise would. I think, Mr. Chairman, we ought to gratify both of these gentlemen; but, unfortunately, in order to do so we would have contradictory provisions, and much as I regard my friend from Oklahoma, I fear the bounty and generosity of the gentleman from New York is in dollars so much larger that I shall have to stand for his gift to the Nation.

Mr. LOZIER, Mr. ROGERS of Oklahoma, and Mr. MOTT rose.

Mr. LUCE. Mr. Chairman, in order to gratify the wishes of the gentlemen who rise to interrogate me, I shall split myself into three parts and yield to all three, but first to my friend from Missouri, whose name stands next to mine on the roll. I follow him on the roll, but I too rarely am able to follow his judgment.

Mr. LOZIER. The gentleman is very gracious in yielding to me, for which I am grateful. Apropos of the claim

that New York contributes 28 percent of the revenues of the Nation, I rise to say that there never was a greater fallacy presented to or accepted by the American people. New York does nothing of the kind. New York is the clearing house through which a substantial part of the wealth of 47 other States is reported to the Federal Government for taxation. Many railroad companies operating in other States, great industrial concerns whose plants are in other States, and corporations and individuals conducting extensive business activities from coast to coast are legally domiciled in New York, but much of their wealth is created in other States, and a lion's share of the taxes New York pays are contributions gathered from over all the Nation. I am getting tired of New York and Pennsylvania making a claim that is false in theory and false in fact. Much of the wealth of other States is, for the purposes of taxation, cleared through the States of New York and Pennsylvania because the corporate or individual owners and earners of such wealth are domiciled in the Empire and Keystone States. Where do the great New York and Pennsylvania insurance companies get the enormous assets on which they pay taxes? From 48 States.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. LOZIER. Yes.

Mr. O'CONNOR. Does the gentleman dispute the number of people we have there, too?

Mr. LOZIER. Oh, no; but I assert that a large part of the taxes paid by New York come from properties in other States and from new wealth created in other States.

Mr. LEWIS of Maryland. Mr. Chairman, I move to strike out the last word. The amendment proposed by the gentleman from Oklahoma would work an abortion of the whole purpose of this bill. This bill is not designed as a measure to raise funds to distribute as subsidies or dividends to the respective States. This is a relief measure, with competent administrative superintendence to study and ascertain the need of relief in the respective States, and to assign the relief money accordingly. The amendment of the gentleman, without unfavorably characterizing it, would distribute this relief money as if it were a dividend fund, which it is not.

Mr. HASTINGS. But you place a limitation of 15 percent; and if you can place a limitation of 15 percent that shall go to a State, why could you not put on a limitation which will provide that the money shall be distributed in proportion to the population of the several States?

Mr. LEWIS of Maryland. Some people so fear a new idea that they are afraid to brush down the cobwebs lest the ceiling may fall, and the limitation of 15 percent upon the amount that might be distributed to a particular State is to allay apprehensions in that direction.

Mr. ROGERS of Oklahoma. If it is good to put a 15 percent limit upon it, why would it not be good to assure every State of getting some of it?

Mr. LEWIS of Maryland. We assure them according to their needs.

Mr. ROGERS of Oklahoma. Are they not all in need?

Mr. LEWIS of Maryland. This is not a dividend fund, it is not a subsidy that can be distributed upon the basis of population.

Mr. HASTINGS. Why place the limitation of 15 percent?

Mr. LEWIS of Maryland. To prevent possible abuse of the fund on the part of some States.

Mr. HASTINGS. Then, to prevent further abuse, I offer my amendment.

Mr. MOTT. Mr. Chairman, I take it under the provisions of this bill it is mathematically possible for some seven States to get the entire amount available under the bill. Can the gentleman inform us what assurance any particular State, such as the State of Oklahoma or my own State, the State of Oregon, would have under the circumstances of getting anything under this bill?

Mr. LEWIS of Maryland. The gentleman tempts me to repeat a classic rebuke: "O, thou of little faith." When the time comes that the administrators of the laws of my country cannot be trusted with a fund as sacred as this,

let us tear down the American flag and forget we are Americans. [Applause.]

Mr. MOTT. May I inquire if that is the best answer the gentleman can give?

Mr. STEAGALL. Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

Mr. McKEOWN. I have an amendment to offer to this section.

The CHAIRMAN. The question is on the motion of the gentleman from Alabama [Mr. STEAGALL].

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. HASTINGS].

The question was taken; and on a division (demanded by Mr. HASTINGS) there were—ayes 70, noes 150.

Mr. HASTINGS. Mr. Chairman, I demand tellers.

The CHAIRMAN. Those who favor taking this vote by tellers will stand and remain standing until counted. [After counting.] Four Members have risen; not a sufficient number. Tellers are refused.

Mr. McKEOWN. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. McKEOWN: Page 5, line 7, after the word "States", insert "and to the Secretary of the Interior not to exceed \$10,000,000 for aid of Indians with which to make per capita payments all reimbursable from tribal property upon such terms agreed upon by and between the tribal authorities and the Secretary."

Mr. GOSS. Mr. Chairman, I make the point of order that the amendment is not germane. The amendment requires the money to be given to the Secretary of the Interior instead of to the States under the Reconstruction Finance Corporation.

Mr. McKEOWN. It is by the director of the relief fund.

The CHAIRMAN (Mr. BULWINKLE). The Chair is ready to rule. The Chair sustains the point of order.

Mr. McGUGIN. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. McGUGIN: On page 5, line 14, strike out lines 14 to 25, inclusive.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas.

Mr. McGUGIN. Mr. Chairman, I move to strike out the enacting clause.

The CHAIRMAN. Does the gentleman desire to withdraw his amendment?

Mr. McGUGIN. Yes.

The CHAIRMAN. Is the gentleman opposed to the bill?

Mr. McGUGIN. I am unless it is straightened up in better shape than it is now.

Mr. O'CONNOR. If the gentleman is not opposed to the bill he is not entitled to recognition.

The CHAIRMAN. The gentleman from Kansas [Mr. McGUGIN] asks unanimous consent to withdraw his amendment.

Mr. GOSS. Mr. Chairman, I object.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas.

Mr. GOSS. Mr. Chairman, may we have the amendment read?

By unanimous consent, the Clerk again reported the amendment offered by Mr. McGUGIN.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. McGUGIN].

The amendment was rejected.

The Clerk read as follows:

Sec. 5. Any State desiring to obtain funds under this act shall through its Governor make application therefor from time to time to the Administrator. Each application so made shall present in the manner requested by the Administrator information showing (1) the amounts necessary to meet relief needs in the State during the period covered by such application and the amounts available from public or private sources within the State, its political subdivisions, and private agencies, to meet the relief needs of the State, (2) the provision made to assure adequate administrative supervision, (3) the provision made for suitable standards of relief, and (4) the purposes for which the funds requested will be used.

Mr. McGUGIN. Mr. Chairman, I move to strike out the last word.

I am sorry, Mr. Chairman, that the gentleman from Alabama [Mr. STEAGALL] became so hasty in the consideration of the bill a moment ago; that the Membership of this House should be shut off from offering reasonable and fair amendments to the bill. This is the point I should like to bring before the House: Here is a bill, the purpose of which is for the relief of the people of this country, predicated upon the theory that the States themselves are now so insolvent that they cannot take care of their own, yet there is a provision in the bill which does violence to that theory and to that principle, and that provision is that one half the funds provided by this bill cannot be used unless the States will match one third of it.

This damnable program that has grown up in this country of so-called "Federal aid", to be matched by the States, has led directly to the impoverishment of the States themselves. You are telling 48 States they can have \$250,000,000 provided they will further increase the tax burdens upon their homes and their farms by matching one third of it; telling the bankrupt States that is what they must do in order to obtain the benefits under section 4, subsection (b).

If, indeed, this be a bill for relief because the States are unable to care for their own, then there should not be in this bill this one third matching provision, and it should be stricken from the bill. That is the question which I should have liked to have placed before this House fairly and squarely upon its merits, but I was denied any opportunity to offer an amendment to strike out that provision by the hasty motion of the gentleman from Alabama, Mr. STEAGALL, chairman of the committee.

Now, this House is either a legislative body or it is not a legislative body; and if we are going to consider amendments, let us consider them; and if not, then let us not profess to consider them. Bring all your bills in here with a gag rule denying the right of amendment, or bring them in under the general rules and let us consider them on the floor of this House. I believe 435 Members of this House are capable of passing upon these amendments without being shut off and denied the opportunity to offer amendments which go to the important parts of a bill.

I would have no exception to the House of Representatives refusing to go along on an amendment that I offered. That is the judgment of the House to exercise itself, but I do criticize the effort being made and the program being carried out to shut off reasonable and fair amendments. It is hypocrisy to bring bills in under the general rules of the House and then be shut off from an opportunity to offer amendments.

I submit to you that it is at least a question worthy of the consideration of this House as to whether or not it is wise in a relief bill to say to the 48 States, most of whom are unable to balance their budgets, that in order for them to participate in one half of the benefits of this bill they must match it with increased tax burdens upon their own people. However, it is a question on which the House gave no consideration because of the motion of the chairman of the committee.

I yield back the balance of my time. The pro-forma amendment was withdrawn.

Mr. GLOVER. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I regret as much as anyone in this body that our country is in a condition requiring legislation of this character; and I am supporting this bill because it is now a necessity. I am very much surprised at the attitude of our friends on the right who held the reins of power for 12 years. They came into power when the country was in a prosperous condition; they went out of power with the country in the midst of this depression, yet we see them vote almost in a body sometimes to refuse to give this relief to the people of the country who are now in distress. But this is not my purpose in getting this time.

This bill ought to be carefully administered. If it is, then we shall have set a noble precedent that will be followed hereafter.

As I interpret this bill, when the grants of money are made to the States, the States have the absolute right to use it for the purpose of relieving distress through providing employment. I desire to ask the author of the bill, who sits by my side, whether I am correct in my conclusion on this one point. We, in my State, are taking the turn-back we get from the tax on gasoline and building the lateral post roads that lead into the great highways that have been built by the State and National Governments, over which the United States mail is carried. They are, in the sense of the Constitution, post roads. I want to know of the chairman, and I ask him this question that the Record may show his interpretation: Have the States the authority to use the funds that may be given them under this bill in connection with State and county funds in giving labor to those in the community in the building of these post roads?

Mr. LEWIS of Maryland. I ought to say to the House that not being the actual author of the bill I cannot have the fullest confidence in my interpretation of it, but in my judgment the words "work relief" carry the authority or opportunity as to which the gentleman has addressed his question.

Mr. GLOVER. I am very glad to get this information; and I wanted it in the Record in order that our people in administering this fund may know they can use it in this way. Money used in this way is not wasted. We all know that much money has been wasted. When it is administered in this manner, you get a dollar's worth of road construction for every dollar given for relief.

Mr. DIES. Mr. Chairman, I rise in opposition to the pro-forma amendment. I shall only consume a few minutes, because I know the House wants to vote on this bill. I am in favor of this measure and shall vote for it. (We cannot permit American citizens to suffer and starve in the midst of plenty. We all deplore the extraordinary conditions that make this bill necessary. We have in the past appropriated various sums to relieve the victims of drought, floods, and earthquakes, not only in our own country but in foreign nations. The present emergency is without parallel in recent times, and no government can remain inactive when any substantial portion of its citizenship is suffering from hunger, cold, and destitution.)

However, it seems rather shocking to me that at a time like this, when we are considering measures to relieve destitution and starvation in this country, and when we are undertaking to expand currency and credit in order to raise commodity prices and restore to normal employment the millions of our fellow citizens who are walking the streets in idleness, and when we are seeking to preserve our economic and political system from collapse, that lobbyists like Ogden Mills, the former Secretary of the Treasury, and others should be all over this Capitol undertaking to prevent the constructive legislation of this administration to restore the dollar to its normal purchasing power and to raise commodity prices.

I mention this fact because I have just introduced a resolution to investigate the activities of Ogden Mills and the other lobbyists who are at this moment in the Capitol exerting their influence for the purpose of defeating constructive legislation that will restore this country to a normal condition. [Applause.] My resolution also proposes to investigate the activities and plans of foreign governments and international bankers to propagandize the country with a view of seeking to cancel the war debts and maintaining the abnormal value of our currency at home and abroad to the detriment of American labor, agriculture, and industry. Newspaper dispatches from France state that the French Government is appropriating a large sum of money for propaganda purposes in the United States. One paper quotes the figure set aside for this purpose by the French Government at 66,000,000 francs. What a parody it is to behold the French Government appropriating money for propaganda purposes in the United States when she professes her inability to pay the just and honest obligations owing to the American people. Through what agencies she proposes to work in her attempt to mold public opinion in this coun-

try is unknown. It seems to me that it is high time for Congress to expose these nefarious activities.

It will also be interesting to uncover the well-directed and highly organized lobbying activities that are being conducted for the purpose of maintaining the gold dollar at an abnormal level, which is rapidly bringing bankruptcy and ruin to the great majority of the American people. Such lobbying is vicious and indefensible and should be exposed to the sunlight of public opinion. The methods and means and objectives of those who are conducting these harmful activities should be fully exposed. We should make an example of these lobbyists that will deter others from engaging in similar activities for a long time in the future. The President and the Democratic Party promised to drive the money changers from the temple. It is equally important that we drive the lobbyists from the Capitol. [Applause.]

The pro-forma amendment was withdrawn.

The Clerk read as follows:

SEC. 6. The Administrator upon approving a grant to any State shall so certify to the Reconstruction Finance Corporation, which shall, except upon revocation of a certificate by the Administrator, make payments without delay to the State in such amounts and at such times as may be prescribed in the certificate. The Governor of each State receiving grants under this act shall file monthly with the Administrator, and in the form required by him, a report of the disbursements made under such grants.

Mr. TRUAX. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TRUAX: Page 7, line 24, after the word "grants", insert "the Governor of each State shall file a statement that no foreclosures of real estate shall be made by State officials during the period for which said Federal aid is asked."

Mr. GOSS. Mr. Chairman, I make the point of order the amendment is not germane to this particular section.

The CHAIRMAN. The Chair will hear the gentleman on the point of order.

Mr. GOSS. As I understood the amendment from its reading by the Clerk, it requires the Governor of each State to file with the administrator a document declaring that no foreclosures shall be made. This might easily interfere with State laws. We in the House are not able to know that we could legally require the Governors to file such a document.

Furthermore, the bill requires that the Governor of each State receiving grants under this act shall file monthly with the administrator, and in the form required by him, a report of the disbursements made under such grants.

I cannot see that the subject of foreclosures comes under this section.

The CHAIRMAN. Does the gentleman from Ohio desire to be heard on the point of order?

Mr. TRUAX. Mr. Chairman, the amendment provides—

Mr. GOSS. Mr. Chairman, I make the point of order that the gentleman must talk to the point of order and not to the amendment.

The CHAIRMAN. Does the gentleman from Ohio care to be heard on the point of order?

Mr. TRUAX. Yes.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. TRUAX. The amendment provides that no foreclosures shall be made by State officials; in other words, by liquidators of closed State banks appointed by the Governor.

The CHAIRMAN. The Chair is ready to rule.

The amendment offered by the gentleman from Ohio is not germane either to the section or the bill, and the Chair sustains the point of order.

The Clerk read as follows:

SEC. 7. As used in the foregoing provisions of this act, the term "State" shall include the District of Columbia, Alaska, Hawaii, and Puerto Rico; and the term "Governor" shall include the Commissioners of the District of Columbia.

Mr. LUCE. Mr. Chairman, I move to strike out the last word and ask for order.

Mr. Chairman, I have been solicitous for order because I wish to explain to every Member the nature of the motion to recommit. The motion to recommit refers to a phrase in existing law and does not of itself set out the intent.

If the amendment should be adopted, it will carry out the views of those who think that this money should be lent, as under the legislation previously instructing the Reconstruction Finance Corporation. Members who believe in lending will answer "aye"; those who believe in giving will answer "no."

Mr. WEIDEMAN. Will the gentleman yield?

Mr. LUCE. Certainly.

Mr. WEIDEMAN. It is more blessed to give than to receive.

Mr. KNUTE HILL. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, "By their fruits ye shall know them." The members of the minority party, if you noticed, voted almost as a unit against this measure. They call this a gift, and they say that it is not in the province of the National Government to give to individuals. Secondly, they say that we are trying to hide this gift by incorporating it under the Reconstruction Finance Corporation.

Let us look at the record of the Republican Party during the last 12 years. Under the Harding administration they gave Teapot Dome and other valuable oil fields to Doheny and Sinclair. Were these not gifts? They say they were not gifts. A rose with another name has the same sweet smell. They were gifts—gifts constituting our richest natural resources, the heritage of our children. Was there any voice raised on the other side of the House at that time against these gifts, not to the poor and needy but to multimillionaires? Did not Calvin Coolidge sit as Vice President and know all about it? Did not Hoover sit as Secretary of Commerce? Did they object? Not until Senator Walsh, that magnificent man with a magnificent intellect, uncovered the gift you Republicans had tried to cover, were Daugherty and Denby sent out of the Cabinet and Fall sent to the penitentiary.

During Coolidge's administration we gave back to Mellon and others refunds of their income taxes, and you tried to hide them by not allowing them to be published.

During Hoover's administration of the last 4 years may I call your attention to the fact that he tried to cancel \$11,000,000,000 of international debts by secret negotiation. This in the final analysis, if it had been consummated, would have been a gift at the expense of the taxpayers of this country. I ask you, was there any voice raised on the part of the Members on the left here against it?

I believe you have no occasion to say that you are opposed to a gift to the people when you have permitted in the last 12 years these things under the unspeakable Republican leadership of Harding, Coolidge, and Hoover. Under Harding and Coolidge came an artificial prosperity, and we were urged to buy, buy, buy until it hurt. Prosperity would last forever. Under Hoover we were solicited to purchase foreign bonds and securities by international bankers, and high officials in the Cabinet said they were good. When the crash came in 1929, Hoover at first refused to recognize it, then said it was temporary and "prosperity was around the corner." They brought on this condition of dire distress and now refuse to permit us to relieve it.

On November 8 the people of the United States made up their minds they wanted a new deal. They sent a great humanitarian down to the other end of Pennsylvania Avenue. This man has vision and wisdom and courage, and we are trying by this bill to give him the power and the authority to help the people who are down and out, the forgotten men and women.

I believe, in all fairness, we should give this authority to a man whom we trust, a man who will show his humanitarian spirit toward all the people—not only those who are up high, but those who are lowly, the everyday American citizen—the forgotten man. [Applause.]

The distinguished gentleman from Massachusetts [Mr. LUCE] stated openly on the floor of this House, in reply to a direct question, that even in the case of dire distress of the people, should the local government or the State government be unable to or neglect to or refuse to furnish aid, he would still oppose the giving of aid by the Federal Gov-

ernment. And he calls himself a humanitarian. I submit that the noble founder of the Republican Party, Abraham Lincoln, would never have taken such an ignoble view of the functions of government. But the leadership of the Republican Party for the past decade or two is as far removed in ideals and principles from the leadership of Lincoln's day as the darkest night is from the light of day.

They call this socialism. If this be socialism, then the responsible leadership of the Democratic Party is socialistic, the large majority of the Congress is socialistic, and the overwhelming majority of the people of the United States are backing them whole-heartedly in that kind of socialism.

They call this an innovation. Thank God, we have a man at the other end of Pennsylvania Avenue who has during the past few weeks smashed a few precedents in order to secure justice and relief. He has shown himself a militant, progressive leader of action.

We have a pilot at the helm of the ship of state who is unafraid; a pilot who knows what course to take in this devastating storm of depression; a pilot who has not only the loyal support of the majority of his crew but the unbounded confidence of the vast majority of the passengers. The ship will be brought safely into port with the Stars and Stripes flying from its masthead notwithstanding the petty opposition of a few reactionaries and the technical obstruction of a discarded leadership. If the leaders of the Republican Party persist in this course, they will eventually plunge their party into the same political oblivion as that suffered by the Whig Party prior to the Civil War. The signs of dissolution and decay are evident. "Whom the gods would destroy they first make mad." I make no charge against the rank and file who have been misled, but the leadership of the Republican Party during the past 12 years has been mad with power. Now it is mad with envy and fear lest the motto "Justice to all and special privileges to none" becomes a wholesome reality. [Applause.]

The Clerk concluded the reading of the bill.

Mr. STEAGALL. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House, with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BULWINKLE, Chairman of the Committee of the Whole House on the state of the Union, reported that the committee having had under consideration the bill (H.R. 4606) to provide for the cooperation by the Federal Government with the several States and Territories and the District of Columbia in relieving the hardship and suffering caused by unemployment, and for other purposes, had directed him to report the same back to the House, with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. STEAGALL. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment?

Mr. LUCE. Mr. Speaker, I demand a separate vote on the so-called "Civil Service amendment".

Mr. TARVER. Mr. Speaker, I demand a separate vote on the committee amendment to section 4 (b).

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them in gross.

The other amendments were agreed to.

The SPEAKER. The Clerk will report the first amendment upon which a separate vote is demanded.

The Clerk read as follows:

Page 4, line 2, after the word "and", strike out the words "subject to the provisions of the Civil Service laws, appoint, and, in accordance with the Classification Act of 1923, as amended."

The SPEAKER. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. LUCE) there were 175 yeas and 87 noes.

Mr. LUCE. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 215, nays 161, not voting 55, as follows:

[Roll No. 17]
YEAS—215

Abernethy	DeRouen	Keller
Adair	Dickinson	Kelly, Ill.
Adams	Dies	Kemp
Allgood	Dingell	Kenney
Ayers, Mont.	Dockweiler	Kerr
Bailey	Doughton	Kloebe
Beam	Douglass	Kniffin
Beiter	Doxey	Kociaikowski
Berlin	Drewry	Kopplemann
Biermann	Driver	Kramer
Black	Duffey	Lamneck
Eland	Duncan, Mo.	Lanham
Blanton	Dunn	Larrabee
Bloom	Durgan, Ind.	Lee, Mo.
Boland	Eagle	Lesinski
Boylan	Elcher	Lloyd
Brennan	Ellzey, Miss.	Lozier
Briggs	Faddis	McClintic
Brown, Mich.	Farley	McCormack
Browning	Fernandez	McDuffie
Brunner	Fitzgibbons	McKeown
Buchanan	Fletcher	McMillan
Buck	Ford	McReynolds
Bulwinkle	Foulkes	Major
Burch	Fuller	Maloney, La.
Burke, Calif.	Gasque	Martin, Colo.
Busby	Gavagan	May
Cady	Gillespie	Mead
Caldwell	Gillette	Meeks
Cannon, Mo.	Glover	Milligan
Carden	Granfield	Mitchell
Carley	Gray	Monaghan
Carpenter, Kans.	Green	Montet
Carpenter, Nebr.	Greenwood	Moran
Cary	Gregory	Morehead
Castellow	Griffin	Murdock
Chapman	Griswold	Musselwhite
Clark, N.C.	Haines	Nesbit
Cochran, Mo.	Hamilton	Norton
Coffin	Harlan	O'Connell
Colden	Hart	O'Malley
Cole	Hastings	Oliver, Ala.
Collins, Miss.	Hildebrandt	Oliver, N.Y.
Colmer	Hill, Ala.	Owen
Cooper, Tenn.	Hill, Sam B.	Palmisano
Cox	Howard	Parker, Ga.
Cravens	Hughes	Parks
Crosby	Jacobsen	Patman
Cross	Jeffers	Peyser
Crowe	Jenckes	Pierce
Cullen	Johnson, Okla.	Ramsay
Cummings	Johnson, Tex.	Randolph
Deen	Johnson, W.Va.	Rankin
Delaney	Kee	Rayburn

NAYS—161

Andrew, Mass.	Disney	Jones	Parker, N.Y.
Andrews, N.Y.	Ditter	Kahn	Parsons
Arens	Dobbins	Kelly, Pa.	Peavey
Arnold	Dondero	Kinzer	Perkins
Ayres, Kans.	Doutrich	Knutson	Pettengill
Bacharach	Dowell	Kurtz	Polk
Bacon	Eaton	Kvale	Powers
Bakewell	Edmonds	Lambertson	Prall
Beedy	Eltse, Calif.	Lambeth	Ragon
Blanchard	Englebright	Lea, Calif.	Ramspeck
Boehne	Evans	Lehlbach	Ransley
Bolleau	Focht	Lemke	Reece
Bolton	Foss	Lewis, Colo.	Reed, N.Y.
Britten	Frear	Lewis, Md.	Reilly
Brown, Ky.	Gibson	Luce	Rich
Burke, Nebr.	Gilchrist	Ludlow	Rogers, Mass.
Burnham	Goldsborough	Lundeen	Sears
Byrns	Goodwin	McCarthy	Seger
Carter, Calif.	Goss	McFadden	Shoemaker
Carter, Wyo.	Guyer	McFarlane	Simpson
Cavicchia	Hancock, N.Y.	McGrath	Sinclair
Chase	Hancock, N.C.	McGugin	Smith, Wash.
Christianson	Hartley	McLean	Snell
Church	Healey	McLeod	Stalker
Clarke, N.Y.	Henney	Maloney, Conn.	Steagall
Cochran, Pa.	Hess	Mansfield	Strong, Pa.
Collins, Calif.	Higgins	Mapes	Strong, Tex.
Condon	Hill, Knute	Marland	Summers, Tex.
Connery	Hoeppel	Marshall	Taber
Connolly	Holdale	Martin, Mass.	Taylor, Tenn.
Cooper, Ohio	Hollister	Merritt	Thom
Crosser	Holmes	Millard	Thomason, Tex.
Crowthor	Hooper	Mott	Thurston
Crump	Hope	Moynihan	Tinkham
Culkin	James	Muldowney	Tobey
Darrow	Jenkins	O'Brien	Traeger
Dirksen	Johnson, Minn.	O'Connor	Treadway

Turpin	Whittington	Wolcott	Woodruff
Watson	Wigglesworth	Wolfenden	Young
Welch	Withrow	Wolverton	Zioncheck
Whitley			

NOT VOTING—55

Allen	Corning	Huddleston	Reid, Ill.
Almon	Darden	Imhoff	Richardson
Auf der Heide	Dear	Kennedy, Md.	Sabath
Bankhead	De Priest	Kennedy, N.Y.	Scruggam
Beck	Dickstein	Kleberg	Shannon
Brand	Fiesinger	Lanzetta	Sisson
Brooks	Fish	Lehr	Stokes
Brumm	Fitzpatrick	Lindsay	Swick
Buckbee	Flannagan	McSwain	Terrell
Cannon, Wis.	Fulmer	Martin, Oreg.	Underwood
Cartwright	Gambrill	Miller	Wadsworth
Celler	Gifford	Montague	Waldron
Chavez	Harter	Peterson	Warren
Claiborne	Hornor	Pou	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Miller (for) with Mr. Beck (against).
Mr. Warren (for) with Mr. Brumm (against).
Mr. Dear (for) with Mr. Wadsworth (against).
Mr. Martin of Oregon (for) with Mr. Buckbee (against).

General pairs:

Mr. Bankhead with Mr. Gifford.
Mr. Corning with Mr. Stokes.
Mr. Pou with Mr. Allen.
Mr. Chavez with Mr. Fish.
Mr. Fitzpatrick with Mr. Reid of Illinois.
Mr. Fiesinger with Mr. Swick.
Mr. Lindsay with Mr. Waldron.
Mr. Gambrill with Mr. Brooks.
Mr. Huddleston with Mr. Cannon of Wisconsin.
Mr. Kleberg with Mr. Darden.
Mr. Celler with Mr. Claiborne.
Mr. Almon with Mr. Harter.
Mr. McSwain with Mr. Imhoff.
Mr. Montague with Mr. Terrell.
Mr. Sabath with Mr. Richardson.
Mr. Underwood with Mr. Lanzetta.
Mr. Dickstein with Mr. Flannagan.
Mr. Cartwright with Mr. Kennedy of New York.
Mr. Auf der Heide with Mr. Hornor.
Mr. Fulmer with Mr. Brand.
Mr. Kennedy of Maryland with Mr. Peterson.

Mr. WILCOX. Mr. Speaker, my colleague from Florida, Mr. PETERSON, is absent on account of illness. If he were present, he would vote "aye."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment upon which a separate vote is demanded.

The Clerk read as follows:

Page 5, line 15, strike out "\$200,000,000" and insert in lieu thereof "\$250,000,000."

The SPEAKER. The question is on agreeing to the amendment.

The question was taken; and on a division (demanded by Mr. TARVER) there were—yeas 208, noes 53.

So the amendment was agreed to.

The SPEAKER. The question now is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. LUCE. Mr. Speaker, I offer the following motion to recommit the bill, and upon that I demand the yeas and nays.

The Clerk read as follows:

Mr. LUCE moves to recommit the bill to the Committee on Banking and Currency with instructions to report the bill back to the House with the following amendment:

"Page 2, line 12, strike out the period and add the following: 'and all funds here made available shall be subject to the terms of paragraph (b) of section 1 of title I of the Emergency Relief and Construction Act of 1932: *Provided, however,* That nothing in this section shall be construed to authorize the Corporation to deny an otherwise acceptable application under this act because of constitutional or legal inhibitions or because the State or Territory has borrowed to the full extent authorized by law.'"

Mr. BLANTON. Mr. Speaker, I make the point of order that the motion is not germane to the bill. This is not a loan bill.

The SPEAKER. The Chair thinks that this is a limitation and overrules the point of order. The question is on the motion to recommit.

Mr. LUCE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 109, nays 263, not voting 59, as follows:

[Roll No. 18]

YEAS—109

Andrew, Mass.	Ditter	Lambertson	Rich
Andrews, N.Y.	Dondero	Lambeth	Rogers, Mass.
Arnold	Doutrich	Lanham	Sanders
Ayres, Kans.	Doxey	Lehibach	Seger
Bacon	Eaton	Luce	Shallenberger
Bailey	Edmonds	Ludlow	Simpson
Bakewell	Ellzey, Miss.	McFadden	Snell
Beedy	Eltse, Calif.	McGugin	Stalker
Blanchard	Englebright	McLean	Strong, Pa.
Boehne	Evans	McLeod	Summers, Tex.
Bolton	Focht	McMillan	Taber
Britten	Foss	Marshall	Taylor, Tenn.
Burnham	Gibson	Martin, Mass.	Tinkham
Busby	Goodwin	May	Tobey
Carter, Calif.	Goss	Merritt	Traeger
Carter, Wyo.	Griswold	Millard	Treadway
Cavichia	Guyer	Morehead	Turpin
Chase	Hancock, N.Y.	Moynihan	Waldron
Christianson	Hartley	Parker, Ga.	Watson
Clarke, N.Y.	Hess	Parker, N.Y.	Whitley
Cochran, Pa.	Higgins	Perkins	Wigglesworth
Collins, Calif.	Hollister	Pettengill	Wolcott
Colmer	Holmes	Powers	Wolfenden
Connolly	Hope	Ragon	Wolverton
Cooper, Ohio	Jenkins	Ransley	Woodruff
Crowther	Kahn	Rayburn	
Culkin	Kinzer	Reece	
Darrow	Kurtz	Reed, N.Y.	

NAYS—263

Abernethy	Dobbins	Kenney	Reilly
Adair	Dockweiler	Kerr	Richards
Adams	Doughton	Kloebe	Robertson
Allgood	Dowell	Kniffin	Robinson
Arens	Drewry	Knutson	Rogers, N.H.
Ayers, Mont.	Driver	Kocialkowski	Rogers, Okla.
Beam	Duffey	Kramer	Romjue
Beiter	Duncan, Mo.	Kvale	Rudd
Berlin	Dunn	Lamneck	Ruffin
Biermann	Durgan, Ind.	Larrabee	Sadowski
Black	Eagle	Lea, Calif.	Sandlin
Bland	Eicher	Lee, Mo.	Schaefer
Blanton	Faddis	Lemke	Schuetz
Bloom	Farley	Lesinski	Schulte
Bolleau	Fernandez	Lewis, Colo.	Sears
Boland	Fitzgibbons	Lewis, Md.	Secrest
Boylan	Fletcher	Lloyd	Shoemaker
Brennan	Ford	Lozier	Sinclair
Briggs	Foulkes	Lumdeen	Smith, Va.
Brown, Ky.	Frear	McCarthy	Smith, Wash.
Brown, Mich.	Fuller	McClintic	Smith, W.Va.
Browning	Fulmer	McCormack	Snyder
Brunner	Gasque	McDuffie	Somers, N.Y.
Buck	Gavagan	McFarlane	Spence
Bulwinkle	Gilchrist	McGrath	Steagall
Burch	Gillespie	McKeown	Strong, Tex.
Burke, Calif.	Gillette	McReynolds	Stubbs
Burke, Nebr.	Glover	McSwain	Studley
Byrns	Goldsborough	Major	Sullivan
Cady	Granfield	Maloney, Conn.	Sutphin
Caldwell	Gray	Maloney, La.	Swank
Cannon, Mo.	Green	Mansfield	Sweeney
Carden	Greenwood	Mapes	Tarver
Carley	Gregory	Marland	Taylor, Colo.
Carpenter, Kans.	Griffin	Martin, Colo.	Taylor, S.C.
Carpenter, Nebr.	Haines	Mead	Thom
Cary	Hamilton	Meeks	Thomason, Tex.
Castellow	Hancock, N.C.	Milligan	Thompson, Ill.
Chapman	Harlan	Mitchell	Thurston
Church	Hart	Monaghan	Truax
Clark, N.C.	Hastings	Montet	Turner
Cochran, Mo.	Healey	Moran	Umstead
Coffin	Henny	Mott	Utterback
Colden	Hildebrandt	Muldowney	Vinson, Ga.
Cole	Hill, Ala.	Murdock	Vinson, Ky.
Collins, Miss.	Hill, Knute	Musselwhite	Wallgren
Condon	Hill, Sam B.	Nesbit	Walter
Connery	Hoeppel	Norton	Wearin
Cooper, Tenn.	Holdale	O'Brien	Weaver
Cox	Hooper	O'Connell	Weideman
Cravens	Howard	O'Connor	Welch
Crosby	Hughes	O'Malley	Werner
Cross	Jacobsen	Oliver, Ala.	West
Crosser	James	Oliver, N.Y.	White
Crowe	Jeffers	Owen	Whittington
Crump	Jenckes	Palmisano	Wilcox
Cullen	Johnson, Minn.	Parks	Willford
Cummings	Johnson, Okla.	Parsons	Williams
Deen	Johnson, Tex.	Patman	Wilson
Deaney	Johnson, W.Va.	Payman	Withrow
DeRouen	Jones	Peyser	Wood, Ga.
Dickinson	Kee	Polk	Wood, Mo.
Dies	Keller	Prall	Woodrum
Dingell	Kelly, Ill.	Ramspeck	Young
Dirksen	Kelly, Pa.	Randolph	Zioncheck
Disney	Kemp	Rankin	

NOT VOTING—59

Allen	Claiborne	Huddleston	Ramsay
Almon	Corning	Imhoff	Reid, Ill.
Auf der Helde	Darden	Kennedy, Md.	Richardson
Bacharach	Dear	Kennedy, N.Y.	Sabath
Bankhead	De Priest	Kleberg	Scruggam
Beck	Dickstein	Kopplemann	Shannon
Brand	Douglass	Lanzetta	Sirovich
Brooks	Flesinger	Lehr	Sisson
Brumm	Fish	Lindsay	Stokes
Buchanan	Fitzpatrick	Martin, Oreg.	Swick
Buckbee	Flannagan	Miller	Terrell
Cannon, Wis.	Gambrill	Montague	Underwood
Cartwright	Gifford	Peterson	Wadsworth
Celler	Harter	Pierce	Warren
Chavez	Hornor	Pou	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Wadsworth (for) with Mr. Dear (against).
 Mr. Brumm (for) with Mr. Warren (against).
 Mr. Beck (for) with Mr. Miller (against).
 Mr. Allen (for) with Mr. Corning (against).
 Mr. Stokes (for) with Mr. Pou (against).
 Mr. Buckbee (for) with Mr. Lanzetta (against).
 Mr. Fish (for) with Mr. Auf der Helde (against).
 Mr. Swick (for) with Mr. Martin of Oregon (against).
 Mr. Reid of Illinois (for) with Mr. Imhoff (against).
 Mr. Bacharach (for) with Mr. Lindsay (against).

Additional general pairs:

Mr. Cannon of Wisconsin with Mr. Gifford.
 Mr. Huddleston with Mr. Ramsay.
 Mr. Claiborne with Mr. Terrell.

Mr. BUCHANAN. Mr. Speaker, I desire to vote.

The SPEAKER. Was the gentleman present and listening when his name was called?

Mr. BUCHANAN. I was present, but listening to one of my colleagues talk.

The SPEAKER. The gentleman does not qualify.

Mr. MANSFIELD. Mr. Speaker, my colleague, Mr. TERRELL, is absent on account of illness. If present, he would have voted "no."

Mr. HARLAN. Mr. Speaker, my colleague, Mr. FIESINGER, is absent on account of illness. If present, he would have voted "no."

Mr. CONNERY. Mr. Speaker, the gentleman from Massachusetts, Mr. DOUGLASS, was unavoidably called away and asked me to state that if present he would vote "no."

Mr. BYRNS. Mr. Speaker, the following Members are unavoidably absent; if present, they would have voted "no" on the motion to recommit and would vote "yea" on the passage of the bill: MESSRS. SABATH, RICHARDSON, FITZPATRICK, DARDEN, FIESINGER, ALMON, CHAVEZ, SIROVICH, DOUGLASS, GAMBRILL, LEHR, CELLER, DICKSTEIN, KENNEDY of New York, PIERCE, PETERSON, MCSWAIN, UNDERWOOD, KLEBERG, KENNEDY of Maryland, FLANNAGAN, BANKHEAD, BRAND, BROOKS, HORNOR, CARTWRIGHT, and MONTAGUE.

Mr. HART. Mr. Speaker, my colleague, Mr. LEHR, is absent on account of important business.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. STEAGALL. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 331, nays 42, not voting 58, as follows:

[Roll No. 19]

YEAS—331

Abernethy	Boehne	Caldwell	Colden
Adair	Bolleau	Cannon, Mo.	Cole
Adams	Boland	Carden	Collins, Calif.
Allgood	Boylan	Carley	Collins, Miss.
Andrews, N.Y.	Brennan	Carpenter, Kans.	Colmer
Arens	Briggs	Carpenter, Nebr.	Condon
Arnold	Britten	Carter, Calif.	Connery
Ayers, Mont.	Brown, Ky.	Carter, Wyo.	Connolly
Beam	Ayres, Kans.	Cary	Cooper, Ohio
Beiter	Browning	Castellow	Cooper, Tenn.
Berlin	Brunner	Cavichia	Cravens
Biermann	Buchanan	Chapman	Crosby
Black	Buck	Christianson	Cross
Blanchard	Bulwinkle	Church	Crosser
Bland	Burch	Clark, N.C.	Crowe
Blanton	Burke, Calif.	Cochran, Mo.	Crowther
Bloom	Burke, Nebr.	Cochran, Pa.	Crump
	Byrns	Coffin	Culkin

Cullen	Hastings	McLean	Schulte
Cummings	Healey	McLeod	Scrugham
Darrow	Henney	McReynolds	Sears
Deen	Hess	Maloney, Conn.	Secrest
Delaney	Hildebrandt	Maloney, La.	Seger
DeRouen	Hill, Ala.	Mansfield	Shoemaker
Dickinson	Hill, Knute	Mapes	Sinclair
Dies	Hill, Sam B.	Marland	Sirovich
Dingell	Hoepfel	Marshall	Smith, Va.
Dirksen	Hoidale	Martin, Colo.	Smith, Wash.
Disney	Holmes	May	Smith, W.Va.
Ditter	Hooper	Mead	Spyder
Dobbins	Hope	Meeks	Somers, N.Y.
Dockweiler	Howard	Milligan	Spence
Dondero	Hughes	Mitchell	Steagall
Doughton	Jacobsen	Monaghan	Strong, Pa.
Doutrich	James	Montet	Strong, Tex.
Dowell	Jeffers	Moran	Stubbs
Drewry	Jenckes	Mott	Studley
Driver	Jenkins	Muldowney	Sullivan
Duffey	Johnson, Minn.	Murdock	Sutphin
Duncan, Mo.	Johnson, Okla.	Musselwhite	Swank
Dunn	Johnson, Tex.	Nesbit	Sweeney
Durgan, Ind.	Johnson, W.Va.	Norton	Tarver
Eagle	Kahn	O'Brien	Taylor, Colo.
Eaton	Kee	O'Connell	Taylor, S.C.
Edmonds	Keller	O'Connor	Taylor, Tenn.
Elcher	Kelly, Ill.	O'Malley	Thom
Eltz, Calif.	Kelly, Pa.	Oliver, Ala.	Thomason, Tex.
Englebright	Kemp	Oliver, N.Y.	Thompson, Ill.
Evans	Kenney	Owen	Thurston
Faddis	Kerr	Palmisano	Tobey
Farley	Kinzer	Parks	Traeger
Fernandez	Kloeb	Parsons	Truax
Fitzgibbons	Kniffin	Patman	Turner
Fletcher	Knutson	Peavey	Turpin
Focht	Kocialkowski	Perkins	Umstead
Ford	Kopplemann	Pettengill	Utterback
Foss	Kramer	Peyser	Vinson, Ga.
Foulkes	Kurtz	Pierce	Vinson, Ky.
Frear	Kvale	Polk	Wallgren
Fuller	Lambertson	Powers	Walter
Fulmer	Lambeth	Prall	Wearin
Gasque	Lamneck	Ragon	Weaver
Gavagan	Larrabee	Ramsay	Weideman
Gibson	Lea, Calif.	Ramspeck	Welch
Gilchrist	Lee, Mo.	Randolph	Werner
Gillespie	Lehlbach	Rankin	West
Gillette	Lemke	Ransley	White
Glover	Lesinski	Rayburn	Whitley
Goldsborough	Lewis, Colo.	Reece	Wilcox
Granfield	Lewis, Md.	Relly	Willford
Gray	Lloyd	Richards	Williams
Green	Lozier	Robertson	Wilson
Greenwood	Ludlow	Robinson	Withrow
Gregory	Lundeen	Rogers, N.H.	Wolcott
Griffin	McCarthy	Rogers, Okla.	Wolfenden
Griswold	McClintic	Romjue	Wolverton
Guyer	McCormack	Rudd	Wood, Ga.
Haines	McDuffie	Ruffin	Wood, Mo.
Hamilton	McFadden	Sadowski	Woodruff
Hancock, N.C.	McFarlane	Sanders	Woodrum
Harlan	McGrath	Sandlin	Young
Hart	McGugin	Schaefer	Zioncheck
Hartley	McKeown	Schuetz	

NAYS—42

Andrew, Mass.	Doxey	Merritt	Snell
Bacon	Ellzey, Miss.	Millard	Stalker
Bailey	Goodwin	Morehead	Summers, Tex.
Bakewell	Goss	Moynihan	Taber
Beedy	Hancock, N.Y.	Parker, Ga.	Tinkham
Bolton	Higgins	Parker, N.Y.	Treadway
Burnham	Hollister	Reed, N.Y.	Watson
Busby	Jones	Rich	Whittington
Chase	Lanham	Rogers, Mass.	Wigglesworth
Clarke, N.Y.	Luce	Shallenberger	
Cox	Martin, Mass.	Simpson	

NOT VOTING—58

Allen	Clalborne	Huddleston	Pou
Almon	Corning	Imhoff	Reid, Ill.
Auf der Heide	Darden	Kennedy, Md.	Richardson
Bacharach	Dear	Kennedy, N.Y.	Sabath
Bankhead	De Priest	Kleberg	Shannon
Beck	Dickstein	Lanzetta	Sisson
Brand	Douglass	Lehr	Stokes
Brooks	Fiesinger	Lindsay	Swick
Brumm	Fish	McMillan	Terrell
Buckbee	Fitzpatrick	McSwain	Underwood
Cady	Flannagan	Major	Wadsworth
Cannon, Wis.	Gambrill	Martin, Oreg.	Waldron
Cartwright	Gifford	Miller	Warren
Celler	Harter	Montague	
Chavez	Hornor	Peterson	

So the bill was passed.

The Clerk announced the following additional pairs:

On this vote:

Mr. Dear (for) with Mr. Wadsworth (against).
 Mr. Corning (for) with Mr. Allen (against).
 Mr. Pou (for) with Mr. Stokes (against).
 Mr. Lindsay (for) with Mr. Bacharach (against).
 Mr. Lanzetta (for) with Mr. Buckbee (against).

Until further notice:

Mr. Warren with Mr. Brumm.
 Mr. Huddleston with Mr. Reid of Illinois.
 Mr. Brand with Mr. Beck.
 Mr. Major with Mr. Fish.
 Mr. Cady with Mr. Swick.
 Mr. Shannon with Mr. Waldron.
 Mr. Claiborne with Mr. Harter.

Mr. CONNERY. Mr. Speaker, my colleague the gentleman from Massachusetts [Mr. DOUGLASS] is unavoidably absent. He asked me to state that if he were here he would vote "yea."

Mr. MANSFIELD. Mr. Speaker, my colleague the gentleman from Texas [Mr. TERRELL] is absent on account of illness. I am authorized to state that if he were present he would vote "yea."

Mr. CULLEN. Mr. Speaker, the following gentlemen are unavoidably absent, and if present would have voted "yea" on the passage of the bill: Messrs. SABATH, IMHOFF, RICHARDSON, FITZPATRICK, CANNON of Wisconsin, ALMON, DOUGLASS, MARTIN of Oregon, CHAVEZ, MILLER, DICKSTEIN, CELLER, AUF DER HEIDE, FIESINGER, GAMBRILL, KENNEDY of New York, KLEBERG, SISSON, TERRELL, PETERSON, LEHR, UNDERWOOD, BROOKS, DARDEN, CARTWRIGHT, BANKHEAD, McMILLAN, McSWAIN, KENNEDY of Maryland, FLANNAGAN, MONTAGUE, and HORNOR.

Mr. CADY. Mr. Speaker, I desire to vote "yea."

The SPEAKER. Was the gentleman in the room listening when his name was called?

Mr. CADY. No; I was in the telephone booth.

The SPEAKER. The gentleman does not qualify.

Mr. O'MALLEY. Mr. Speaker, my colleague the gentleman from Wisconsin [Mr. CANNON] is unavoidably absent. If he were here he would have voted "yea."

Mr. WEST. Mr. Speaker, my colleague the gentleman from Ohio [Mr. IMHOFF] is unavoidably absent. If he were here he would have voted "yea" on the final passage of this bill, would have voted "nay" on the motion to recommend, and would have voted "yea" on the Fuller amendment.

Mr. WILCOX. Mr. Speaker, my colleague the gentleman from Florida [Mr. PETERSON] is unavoidably absent on account of serious illness in his family.

The result of the vote was announced as above recorded.

On motion of Mr. STEAGALL, a motion to reconsider the vote by which the bill was passed was laid on the table.

THE PRESENT CONGRESS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to insert in the RECORD a speech made by my colleague the gentleman from Michigan [Mr. WEIDEMAN] over Radio Station WJBK on last Friday evening, April 14, 1933.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address of Hon. CARL M. WEIDEMAN over WJBK, Detroit, Mich., Friday, April 14, 1933:

My friends of the radio audience and the Forgotten Man's Club, I appreciate the courtesy extended to me by station WJBK to address you concerning the work of the present Congress. Having been in session for the short period of 5 weeks, it has passed a tremendous amount of important legislation, including—

The emergency banking bill.

The economy bill (which I voted against).

The reforestation bill.

The farm relief bill.

The beer bill.

The majority of the Members of Congress have given the President their support on these measures, as part of the administration plan which is designed to help relieve the general unemployment and economic condition now prevailing throughout the entire country.

These bills are a part of a whole plan which is intended to bring about some measure of prosperity in our country. Time only can tell whether or not the President has the correct solution of the problem.

Even with the emergency legislation which has been passed to date, we have merely scratched the surface of abuses which we face and which have been prevalent and growing during the last 12 years of Republican administration.

There still are to be brought before the Congress about 10 bills, which will complete the President's emergency program. Among the bills to be considered are—

- The Federal securities bill.
- A State bank relief bill.
- A farm loan bill.
- The Tennessee River (Muscle Shoals) project.
- The 30 hour a week bill.
- Gasoline tax bill.
- Wagner bill for unemployment relief.
- Tariff relations bill.
- Public works bill.
- Home mortgage relief bill.

Your Congressman believes that the citizens of this city are willing to give these measures a trial to see what the result will be, having expressed themselves so decisively at the polls last November. It is the intention of the Members of Congress to go just as far in supporting the President as their conscience and good judgment permit. Your President has assumed a great responsibility. Not all Members vote for all emergency legislation; their loyalty to a cause has been severely strained in voting for some of the measures already proposed, believing that some measures did not go far enough and that other measures went too far.

If the proposed program does not get the desired results, I predict that in January, after a fair trial of the President's program, should it prove unsuccessful or deficient in certain matters, Congress shall go forward and attempt to remedy the defects in the present legislation.

I believe that the newer Members of Congress are the most progressive group ever sent to Congress, but their records are being written now, and in 2 years when it is complete you will know whether or not your representatives have been loyal to you or whether or not they have jumped through the hoop at the crack of the whip of reactionaries.

I believe that the most important requisite that any public official should have is courage, courage to follow the interests of the common people, the reasoning of his own mind after a fair analysis of any subject and the courage to follow his reasoning to its ultimate end.

There can be no ultimate solution of our problems until laws are passed which abolish the curse of money which now controls our Government, the abolition of the large rates of interest, restriction of hours of labor, unemployment insurance, old-age pensions, extension of the laws governing deposits in Postal Savings, a Government bank properly controlled, the guaranty of deposits in banks, and the decentralization of wealth to be accomplished through inheritance and income or accretion taxes.

In connection with the decentralization of wealth let me cite the findings of a personal research along this line. Shortly after my arrival in Washington I became engaged in conversation with Congressman EDGAR HOWARD, of Nebraska, a real progressive Democrat and the man who introduced a resolution at the last session forcing pitiless publicity of the loans made by the Republican administration through the Reconstruction Finance Corporation. He informed me that Andrew Mellon, our late Secretary of the Treasury, and the Mellon family controlled more wealth than the combined assessed valuation of the States of Nebraska and South Dakota.

I immediately sent to the Library of Congress for figures on wealth of the Mellon family and for the assessed valuation of Michigan. I found, my friends, that this one family controlled more wealth than the assessed valuation of real and personal property in the great State of Michigan.

For the moment the most interest on approaching legislation seems concentrated on the Black bill, better known to us as the 30 hour a week bill. Briefly, this bill provides that no man or woman engaged in certain industries not essential to health and the sustaining of life shall work more than 30 hours a week or 6 hours a day for 5 days a week. The primary purpose of the bill is to furnish more work to a larger number of people.

My office has been deluged with telegrams and letters since the bill passed the Senate and was placed in a House committee for consideration. In most instances the letters have not been received from the forgotten man, whose ideas on such matters I covet most, but from a group of men who do not let themselves be forgotten in Washington. I speak of the corporations and the employers of labor.

Nearly all employers are united in opposition to the passage of this measure. While there are features in the bill which need altering, I can see no honest reason why every man, woman, and child in this country should not have 2 days of rest and recreation every week.

If not, then why our modern improvements and labor-saving devices in the factory and on the farm? Why the production of more food than we can eat, more workmen than we can find employment for, and facilities for making more clothes than we can wear if men and women outside of a chosen few must continue to struggle, and fear the future, the same as they have down through the ages?

If our toll has not benefited those whose labors and faith have borne the brunt and hardships of modern life, our civilization is a failure.

Another matter of supreme importance is the proposed guaranty of bank deposits. We are all stopping now, studying and analyzing the system which has prostrated this great city of ours.

Is not it ridiculous, this banking system of ours as it has existed in the past? If I wanted to borrow \$500 from any of you or you wanted to borrow \$500 from me we would demand good security.

Yet, you and I have for years walked into a bank and deposited thousands of dollars with a cashier whom we did not know. Probably you had thousands on deposit in a bank and you didn't know a single officer and had no more idea than "the man in the moon" as to how the money was invested. It would seem from the results that we might as well have invested it in the moon.

My friends, the fundamentals of handling money are simple. The great trouble is that international bankers have complicated the system with the purpose to entangle and deceive you. They tell us that we must trust experts in banking. It has been a "heads I win, tails you lose" proposition too long. We are entitled to a guaranty on the money we place in the keeping of others, and if we can fight hard enough we will get it.

It is bitter history now that, after our bank crashes, committee after committee called at the Treasury Department, all loudly proclaiming they represented the stockholders, but none the depositors.

I felt it my duty as a representative of the people of my district to learn what was going on behind closed doors. I called at the office of the Treasury Department and asked admittance to these conferences, which was denied by Mr. Watkins. I believed then and I believe now that I, as your Congressman, had a right to know the true condition of our banks, but the master bankers didn't want all facts made public. The truth is, we didn't know the facts then, nor do we know them now.

All we know of what was said or done has been the statements, guarded and indefinite, that have been forced by an insistent press which has joined our demand that some attention be paid to the 800,000 people in this city who trusted our banks and our bank examiners.

A few days later I learned that our welfare funds were depleted, that women and children left penniless by this awful catastrophe would be refused the necessities of life, unless relief money deposited in these banks was released. Again, I demanded action through a letter written to Jesse H. Jones, a Republican chairman of the Reconstruction Finance Corporation, on March 31. In this letter I stated in part:

"Without taking any position and regardless of the banking situation of the city of Detroit, and without determining which group is right or wrong in the local fight concerning reorganization of banks, I am asking you to become interested in the sorry plight of these numerous citizens of Detroit to release immediately further moneys, to be deposited for the use and benefit of the city of Detroit so that it can carry out this relief work and keep the citizens from actual starvation.

"This is no time to quibble. People are actually starving in Detroit and I fear the consequences unless something is done immediately in the way of aid to those sorely distressed people. If necessary, I think you should disregard all rules and regulations and red tape to release this money. Hungry mouths know no technicality. I implore you to assist me in this measure and to help our city immediately."

In conclusion I wish to say something concerning the adjusted-service certificates and the bonus bill.

The time is not opportune to force consideration of the bill. We are hopeful that the administration will consider it in connection with present plans and request its enactment. I believe that its passage would help the country more than any legislation that has been proposed, and, besides, would save the Government \$112,000 a year and abolish a useless commission. However, the President must not be disturbed at this time in his efforts to relieve destitution, save the homes and farms of the people and to give jobs to the unemployed, including the veterans.

The bill is not dead; it is very much alive; if present proposals, when enacted—should this bill not be included—do not expand the currency and do not furnish employment to the jobless, the administration and public sentiment, I am sure, will demand its present passage.

The bill can be passed in the House by a two-third majority. We are informed that a two-third majority of the Senators are against it. We do not want to make a gesture; we want the bill passed; and in not forcing consideration at this particular time we are working in the interests of its final passage. Ask your Senators and Congressmen how they will vote on this.

I know—and regret exceedingly—that veterans all over the Nation are losing their homes and their families are in distress because they cannot collect this money. It makes my heart bleed to think about the misery and despair that will be caused by the passage of the so-called "economy bill"; that bill is going to deprive each congressional district of \$1,000,000 a year; such money would probably turn over 15 times during the year; therefore the small merchants and business men generally in each congressional district in the United States are going to lose \$15,000,000 a year in buying power, commencing July 1. That is an added reason why the measure should be enacted now.

In closing, I want to say that the Members of Congress have confidence in our President, Franklin D. Roosevelt, knowing that his heart is with the oppressed and the down-trodden, and he is making a sincere effort to relieve your condition, and the Members of Congress will cooperate with him in attempting to bring about a speedy recovery to normalcy so that you may again enjoy all of the necessities of living and those common luxuries which you have become accustomed to, such as the radio, the auto-

mobile, electric appliances, and other things commensurate with the decent American standard of living. I thank you.

UNEMPLOYMENT RELIEF (H.R. 4606)—EXTENSION OF REMARKS

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks on the bill.

Mr. RICH. Mr. Speaker, reserving the right to object, I question the wisdom of granting Members 5 legislative days within which to frame speeches and put them in the RECORD for political purposes every time a bill comes up for consideration. The time to discuss a bill is when the bill is under consideration.

The Government Printing Office is trying to save money these days and the Government is interested in trying to save the taxpayers' money.

Does not the gentleman think an extension of 5 days is more time than is necessary for the particular purpose for which it is asked?

Mr. STEAGALL. I suggest to the gentleman from Pennsylvania that the Members are overworked. I see no reason why they should not have 5 days as well as 1 day, 2 days, or any lesser time.

I hope the gentleman will not press his objection, although it means nothing to me personally.

Mr. RICH. Mr. Speaker, I do not want to object to requests that seem to be reasonable, but I sometimes think the granting of too much time is not a good thing.

Mr. Speaker, I withdraw my objection at this time.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. SMITH of Washington. Mr. Speaker, I shall, of course, vote "aye" on the final passage of this meritorious legislation, although I am compelled to vote "nay" on the amendment to strike out the Civil Service provision.

This bill places at the disposal of the States, through the Reconstruction Finance Corporation, the sum of \$250,000,000 against thrice that sum provided by the States for "relief and work relief" for the unemployed, and the further sum of \$250,000,000 as an unconditional grant to the States for the same laudable purposes.

(The urgent need for this legislation is apparent to all and is intended to extend aid to the millions of our citizens who are in distress and who are suffering for lack of sufficient food, clothing, and shelter. It is clearly the duty of the Government to assist in this worthy enterprise—indeed, it is one of its very noblest functions—and our Republican friends are really not serious in their opposition, I am sure, for they do not want our citizens to starve and go hungry and improperly clad so long as it is possible for us to alleviate those unhappy conditions, which are a disgrace to our institutions and system of laws. This is the very least that we can do for the men, women, and children of America who are the unfortunate victims, if you please, of the greed, the avarice, and the cupidity of a small group, who in the past have been the sole beneficiaries of all the favors, gratuities, special privileges, and largess that have been bestowed upon them under the sanction of law and authority by the agencies and instrumentalities of the Government. There is, therefore, my colleagues, no valid argument or reason that can be advanced in opposition to this relief measure.)

Mr. Speaker, I cannot, however, vote in favor of striking the proviso to apply the principle of civil service to those who are to be entrusted with the administration of this act, for I have already indicated that I do not consider this in the nature of a political patronage bill. It is undoubtedly true that the other party has violated these salutary principles on many past occasions, but the fact that they have done wrong is certainly no justification for our doing so. The proposed amendment is un-Democratic and unworthy of the party of Cleveland and Wilson, the outstanding champions of civil-service reform, and I shall therefore vote against it and follow the leadership of the able chairman of the committee reporting this bill, the gentleman from Alabama [Mr. STEAGALL].

Mr. KOPPLEMANN. Mr. Speaker, I want to make it clear that I shall vote for this proposed relief bill whether or not the amendment under consideration is adopted.

The present problem of relief is tremendously burdensome to communities as well as States. As far back as 2 years ago I told the director of the community chest in my city of Hartford, Conn., that the Federal Government would eventually be compelled to enter into this question of relief for the destitute. That time has come.

(The question before you today is not whether the Government shall or shall not give aid. The giving of aid at this particular time is a recognized governmental responsibility. The question before us, however, is the manner in which aid should be extended by the Federal Government. The amendment now under consideration is an attempt to answer that question. The amendment asks that the States pay back any moneys secured under this act when and if able.

I am a director of a charity organization. Whenever as an act of charity my organization gives an individual relief in the form of money we at the same time require him to sign an agreement to repay at such time as he may be able. In this way we are in position to aid the individual in maintaining his own self-respect. Through the extension of financial aid under such terms we do not break down the individual's spirit nor pauperize him through the granting of an outright dole.

The amendment under consideration attempts to accomplish this same desirable purpose. I do not believe there is an individual in this House nor in the Congress who wants to degrade any State by compelling it to accept an outright gift in the form of a dole. Let the States retain their respectability in these unparalleled days, so that when the time comes no State, including my own, shall be stigmatized because it received a dole from the National Government.

Mr. REILLY. Mr. Speaker, in the Seventy-second Congress we passed the Reconstruction Finance Corporation bill, which provided \$300,000,000 to aid the States in handling their unemployment relief problems.

All of that money has been expended to date except about the sum of \$60,000,000. There is no indication that the unemployment-relief problem is getting any less burdensome, but, on the contrary, there is much evidence that the cities and States are getting less able every day to handle their local relief problems.

The pending bill simply adds \$500,000,000 to the National Government's contribution to the unemployment-relief work of this country.

The gentleman from Massachusetts [Mr. LUCE] opposes this bill because under the terms of the measure the money is given to the States or rather presented to them as a gift, while under the terms of the Reconstruction Finance Corporation Act the money was to be loaned to the States.

The gentleman from Massachusetts is also opposed to the bill because he claims that there has been no showing that States are unable to handle their own unemployment-relief work.

While it is true that by the terms of the Reconstruction Finance Corporation Act the money given to the States to aid them in their unemployment-relief work was intended to be a loan, there are few people today, I take it, conversant with the circumstances under which the loans were made, but who will agree that in the end all advances made by the National Government to the various States in the shape of unemployment-relief assistance through the Reconstruction Finance Corporation Act will in the end turn out to be gifts.

Many of the States of the Union have constitutional provisions against borrowing money from the National Government or anybody else, and therefore various subterfuges were invented to permit these States to get their share of the appropriation for relief work provided in the Reconstruction Finance Corporation Act.

Mr. Speaker, there is ample evidence in the hearing before the Banking and Currency Committees of the House

and the Senate tending to show that the great majority of the States are unable to adequately handle their unemployment-relief problems.

Our present industrial depression has brought more wreck and ruin to our citizens, financially and otherwise, than has ever followed any industrial panic that this country or the world has ever experienced.

We are told that the pending bill constitutes unprecedented legislation. Since the beginning of the present administration Congress has been passing unprecedented legislation, and undoubtedly this session of Congress will go down in history as a Congress that paid no attention to legislative precedent.

Our country at the present time is confronted with a condition and not a theory, and the President and Congress really have no precedent to follow. The question before Congress is not whether or not such legislation as the pending legislation was ever passed in this country before, but rather whether or not the pending bill constitutes legislation necessary in this crisis of our country's history.

Fundamentally, I believe relief problems are local problems and then State problems, but there may come a time when relief problems become national problems. In this great industrial crisis States lines have become obliterated, and it is the duty of the National Government to assist the various States in the handling of the great work of feeding and clothing their armies of unemployed, who through no fault of their own are unable to take care of themselves.)

Under the terms of the Reconstruction Finance Corporation bill, and also under the terms of the pending bill, it may well be assumed that no State or States will get relief from the fund provided in this bill unless, in the judgment of those having charge of that fund, the State or States have done the best they could to meet their own relief problems.

Congress must necessarily delegate to some person or persons the matter of determining when, where, and how national relief assistance shall be distributed among the States.

It is of vital importance to every State in this Union, the smaller States as well as the larger States, that our unemployed people be fed, clothed, and housed in this trying hour, in order that the agitators and propagandists of communism may not find fertile fields in which to sow the seeds of national dissension.

ORDER OF BUSINESS

Mr. KVALE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. KVALE. Mr. Speaker, I have requested this time in order to ask the majority leader if he has any information as to whether the expansion program which has been announced contains any provision for an adequate tax structure to accompany it step by step?

Mr. BYRNS. I have no information on the subject.

Mr. KVALE. Would the gentleman be willing to try to ascertain whether such plans are in contemplation? I think it is of vital importance.

Mr. BYRNS. I shall make an effort along that line.

MUSCLE SHOALS

Mr. SNELL. Mr. Speaker, I want to ask the majority leader a question. As I understand the program, tomorrow is going to be confined to the consideration of Muscle Shoals legislation?

Mr. BYRNS. Yes.

Mr. SNELL. There is to be general debate on the bill tomorrow?

Mr. BYRNS. Yes.

Mr. SNELL. There will be no reading of the bill, of course, because 6 hours of general debate is provided.

Mr. BYRNS. Nothing will be up tomorrow except general debate on the Muscle Shoals bill. The debate will necessarily have to go over until Monday because of the length of time provided.

LXXVII—135

INVESTIGATION OF THE "AKRON" DISASTER

The SPEAKER. Pursuant to House Concurrent Resolution 15, the Chair appoints as members of the Joint Committee to investigate the Akron disaster the following Members of the House: Mr. DELANEY, Mr. McSWAIN, Mr. HARTER, Mr. ANDREW of Massachusetts, and Mr. HOPE.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. DARDEN, for 3 days, on account of illness in family.

To Mr. CELLER, for an indefinite period, on account of illness.

To Mr. PETERSON, for 1 week, on account of illness in family.

To Mr. CLAIBORNE, at the request of Mr. COCHRAN of Missouri, for 2 days, on account of illness.

SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S.J.Res. 13. Joint resolution authorizing the Attorney General, with the concurrence of the Secretary of the Navy, to release claims of the United States upon certain assets of the Pan American Petroleum Co. and the Richfield Oil Co. of California and others in connection with collections upon a certain judgment in favor of the United States against the Pan American Petroleum Co. heretofore duly entered; to the Committee on the Public Lands.

ADJOURNMENT

Mr. STEAGALL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 55 minutes p.m.) the House adjourned until Saturday, April 22, 1933, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. O'CONNOR: Committee on Rules. House Resolution 111. Resolution providing for the consideration of H.R. 5081; without amendment (Rept. No. 50). Referred to the House Calendar.

Mr. O'CONNOR: Committee on Rules. House Resolution 112. Resolution providing for the consideration of House Joint Resolution 157; without amendment (Rept. No. 51). Referred to the House Calendar.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H.R. 4507) for the relief of Bogustas De Kartowski; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H.R. 5124) granting a pension to Mary Tompkins; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DARDEN: A bill (H.R. 5152) granting the consent of Congress to the State Highway Commission of Virginia to replace and maintain a bridge across Northwest River in Norfolk County, Va., on State Highway Route No. 27; to the Committee on Interstate and Foreign Commerce.

By Mr. TARVER: A bill (H.R. 5153) to amend an act entitled "An act to equip the United States penitentiary, Atlanta, Ga., for the manufacture of supplies for the use of the Government, for the compensation of prisoners for their labor, and for other purposes", approved July 10, 1918 (U.S.C., title 18, sec. 794); to the Committee on the Judiciary.

By Mr. DUNN: A bill (H.R. 5154) to establish a Banking Commission for the purpose of protecting all moneys deposited in the banks of the United States and its possessions; to the Committee on Banking and Currency.

By Mr. ALMON: A bill (H.R. 5155) to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes", approved July 11, 1916, as amended and supplemented, and for other purposes; to the Committee on Roads.

By Mr. WHITLEY: A bill (H.R. 5156) to amend the act relating to the filing of judgments of Federal courts; to the Committee on the Judiciary.

By Mr. KELLY of Pennsylvania: A bill (H.R. 5157) to authorize appropriations for emergency highway construction with a view to increasing employment, and for other purposes; to the Committee on Roads.

By Mr. RANKIN: A bill (H.R. 5158) providing for the exercise of power conferred by section 8 of article I of the Constitution: to coin money and to regulate the value thereof; to the Committee on Banking and Currency.

By Mr. EAGLE: A bill (H.R. 5159) to provide for regulated expansion of currency and credit, to reduce the national debt, to raise the price level of commodities, and for other purposes; to the Committee on Banking and Currency.

By Mr. GOLDSBOROUGH: A bill (H.R. 5160) to regulate the value of money in accordance with paragraph 5, section 8, article I, of the Constitution of the United States; to re-establish the gold standard; to provide for its maintenance and stabilization; and for other purposes; to the Committee on Banking and Currency.

By Mr. DIES: Resolution (H.Res. 114) authorizing the investigation of lobbying activities; to the Committee on Rules.

By Mr. BRENNAN: Resolution (H.Res. 115) to investigate unfair methods of competition in the cement industry; to the Committee on Interstate and Foreign Commerce.

By Mr. SHOEMAKER: Resolution (H.Res. 116) authorizing the investigation of the unlawful and secret plottings of the several revolutionary organizations or individuals who are now enjoying the asylum and sanctuary of the Government of the United States; to the Committee on Rules.

By Mr. SNYDER: Joint resolution (H.J.Res. 160) proposing an amendment to the Constitution of the United States authorizing Congress to restrict the income derived from capital; to the Committee on the Judiciary.

By Mr. O'MALLEY: Joint resolution (H.J.Res. 161) proposing an amendment to the Income Tax Act of 1932 providing for an emergency surtax of 50 percent on the net income of all foreign subsidiaries of American corporations, individuals, partnerships, or manufacturers; to the Committee on Ways and Means.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Michigan, memorializing Congress to pass Senate bill no. 1197, known as the "Frazier bill", providing that existing farm indebtedness shall be refinanced by the Government of the United States; to the Committee on Agriculture.

By the SPEAKER: Memorial of the Legislature of the State of Minnesota, memorializing Congress that appropriate action be taken to place in the hands of a judicial tribunal the determination of damages suffered by owners of property bordering the Lake of the Woods, and to authorize the Department of Justice to compromise and adjust the valid claims arising out of the fluctuation of the level of said lake; to the Committee on Claims.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLOOM: A bill (H.R. 5161) for the relief of Wiener Bank Verein; to the Committee on Foreign Affairs.

By Mr. CONNERY: A bill (H.R. 5162) granting a pension to Mary A. Weisse; to the Committee on Invalid Pensions.

By Mr. DEEN: A bill (H.R. 5163) for the relief of Calvin M. Head; to the Committee on Claims.

By Mr. WILCOX: A bill (H.R. 5164) for the relief of William A. Somerville; to the Committee on Claims.

By Mr. IMHOFF: A bill (H.R. 5165) granting a pension to Emma Moore; to the Committee on Invalid Pensions.

By Mr. KRAMER: A bill (H.R. 5166) granting a pension to Charlotte M. Spalding; to the Committee on Invalid Pensions.

By Mr. KVALE: A bill (H.R. 5167) for the relief of Francis H. Bellew; to the Committee on Claims.

By Mr. POLK: A bill (H.R. 5168) granting a pension to Annie Stouder; to the Committee on Invalid Pensions.

By Mr. SMITH of Washington: A bill (H.R. 5169) granting a pension to Adam Johnson; to the Committee on Pensions.

By Mr. STALKER: A bill (H.R. 5170) for the relief of the American-La France & Foamite Corporation of New York; to the Committee on the District of Columbia.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

616. By Mr. CULLEN: Petition of United Irish Societies of Brooklyn, N.Y., urging the passage of Senator BLACK's measure regulating the working hours of railroad employees; to the Committee on Labor.

617. Also, petition of the American Manufacturers Export Association, urging the immediate negotiation of reciprocal tariffs by the United States Government with other national governments, looking toward the freer interchange of commodities mutually advantageous; to the Committee on Ways and Means.

618. Also, petition of Typographical Union, No. 6, of New York City, endorsing the bill introduced by Senator BLACK; however, they emphatically protest against the inclusion in the bill of the amendment whereby the newspaper and periodical industry is excluded from the provisions of the bill; to the Committee on Labor.

619. By Mr. GIBSON: Petition of Burlington Post, No. 2, American Legion, department of Vermont, opposing removal of the regional office of the Veterans' Administration at Burlington, Vt.; to the Committee on World War Veterans' Legislation.

620. Also, petition of American Legion, Department of Vermont, pledging its support of the national commander of the American Legion; to the Committee on World War Veterans' Legislation.

621. By Mr. HOWARD: Resolution adopted by the Nebraska Senate, memorializing the Secretary of Agriculture of the United States concerning "call money" for the packers; to the Committee on Agriculture.

622. By Mr. IMHOFF: Petition of Mrs. W. A. Bricker, Anna H. McCalla, Essie Dyke, and 97 others of Middleton Township, Columbiana County, Ohio, asking Congress for an appropriation for the purchase of wheat to be made into flour and distributed to the needy through the medium of the American Red Cross; to the Committee on Appropriations.

623. By Mr. JOHNSON of Minnesota: Resolution by the St. John's and Mamre locals of the Farmer's Union, St. James, Minn., to insure passage of the Frazier bill; to the Committee on Agriculture.

624. Also, resolution by the National Farmers' Holiday Association, Pine County unit, Hinckley, Minn., urging passage of legislation that will give farmers loans at 3 percent interest, including amortization; to the Committee on Agriculture.

625. Also, resolution by the members of the Watonwan County Farmers' Cooperation and Educational Union of America, Local 270, to insure passage of the Frazier bill; to the Committee on Agriculture.

626. Also, resolution by the stockholders of the Wilkin County National Farm Loan Association, for the passage

of the Shipstead agricultural bill; to the Committee on Agriculture.

627. Also, resolution from the Little Falls Township United of the Morrison County (Minnesota) Farm Bureau Association, for the continuation of farm agents; to the Committee on Agriculture.

628. By Mr. KVALE: Petition of Veterans of Foreign Wars, Post No. 1562, Faribault, Minn., favoring parity of naval armaments of the United States with other countries; to the Committee on Naval Affairs.

629. Also, petition of Raymond Dewane, of Morris, Minn., favoring revaluation of the gold ounce; to the Committee on Coinage, Weights, and Measures.

630. By Mr. LINDSAY: Petition of the Associated Cooperage Industries of America, St. Louis, Mo., opposing the 30-hour week bill in the cooperage industry; to the Committee on Labor.

631. By Mr. MAPES: Petition of Grand Rapids League of Catholic Women, Grand Rapids, Mich., Mrs. E. J. Marin, chairman of legislation, protesting against the equal-rights amendment; to the Committee on the Judiciary.

632. By Mr. O'MALLEY: Memorial of the Legislature of the State of Wisconsin, urging the Congress of the United States to enact legislation requiring all shipments of coal in interstate commerce to be accompanied by a sworn statement of the shipper, specifying the percentage of the ingredients and other qualities of the coal which affect its heating value, including the British thermol units per pound when the coal is dry, the percentage of ash when the coal is dry, the percentage of sulphur when the coal is dry, and the volatile matter in the coal; to the Committee on Interstate and Foreign Commerce.

633. Also, memorial of the Legislature of the State of Wisconsin, urging the Congress of the United States to take prompt and favorable action on the farm relief bill which has been presented to the Congress by President Roosevelt; to the Committee on Agriculture.

634. Also, memorial of the Legislature of the State of Wisconsin, urging the Congress of the United States to provide the necessary machinery and credit to make possible loans to the financial institutions having frozen assets upon satisfactory collateral; to the Committee on Banking and Currency.

635. Also, memorial of the Legislature of the State of Wisconsin, urging the Postmaster General to issue a series of special stamps in commemoration of the three hundredth anniversary of the white man's discovery of Wisconsin; to the Committee on the Post Office and Post Roads.

636. By Mr. RUDD: Petition of the Associated Cooperage Industries of America, opposing the passage of the 30-hour work week; to the Committee on Labor.

637. By Mr. SMITH of West Virginia: Memorial of the Legislature of the State of West Virginia, memorializing Congress to pass such legislation as will permit the Federal Government to acquire lands on headwaters of Ohio and Potomac Rivers, for the purpose of flood control; to the Committee on Flood Control.

638. Also, memorial of the Legislature of the State of West Virginia, relating to the allocation of Federal relief funds appropriated under the Federal Reforestation and Flood Control Unemployment Relief Act; to the Committee on Flood Control.

639. By the SPEAKER: Petition of Board of Supervisors of Mason County, Ill., requesting that the garden-seed supply be allocated by the Illinois Emergency Relief Commission; to the Committee on Agriculture.

SENATE

SATURDAY, APRIL 22, 1933

(Legislative day of Monday, Apr. 17, 1933)

The Senate met at 11 o'clock a.m., on the expiration of the recess.

Mr. BRATTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	La Follette	Robinson, Ind.
Ashurst	Couzens	Lewis	Russell
Austin	Cutting	Logan	Schall
Bachman	Dickinson	Loneragan	Sheppard
Bailey	Dieterich	Long	Shipstead
Bankhead	Duffy	McAdoo	Smith
Barbour	Erickson	McCarran	Steiwer
Barkley	Fletcher	McGill	Stephens
Black	Frazier	McKellar	Thomas, Okla.
Bone	George	McNary	Thomas, Utah
Borah	Glass	Murphy	Townsend
Bratton	Gore	Neely	Trammell
Brown	Hale	Norbeck	Tydings
Bulow	Harrison	Norris	Vandenberg
Byrd	Hastings	Nye	Van Nuys
Byrnes	Hayden	Overton	Wagner
Capper	Hebert	Patterson	Walcott
Caraway	Johnson	Pittman	Walsh
Clark	Kean	Pope	Wheeler
Connally	Kendrick	Reed	White
Coolidge	Keyes	Reynolds	
Copeland	King	Robinson, Ark.	

Mr. REED. I wish to announce that my colleague [Mr. DAVIS] is still necessarily detained from the Senate on account of illness.

Mr. LEWIS. I wish to announce that the Senator from Washington [Mr. DILL] is necessarily detained from the Senate. I ask that this announcement stand for the day.

The VICE PRESIDENT. Eighty-six Senators have answered to their names. A quorum is present.

THE LATE SENATOR HOWELL, OF NEBRASKA

The VICE PRESIDENT laid before the Senate a note of appreciation, addressed to the Secretary of the Senate, from Mrs. Alice C. Howell, expressing thanks for flowers sent and courtesies extended by Senators upon the occasion of the death of Hon. Robert B. Howell, late a Senator from the State of Nebraska, which was ordered to lie on the table.

CHAIN STORES: SALES, COSTS, AND PROFITS OF RETAIL CHAINS (S.DOC. NO. 40)

The VICE PRESIDENT laid before the Senate a letter from the chairman of the Federal Trade Commission, submitting, pursuant to Senate Resolution 224, Seventieth Congress, a report relative to sales, costs, and profits of retail chains, which, with the accompanying report, was referred to the Committee on the Judiciary and ordered to be printed.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of the Territory of Hawaii, which was referred to the Committee on Territories and Insular Affairs:

Senate Concurrent Resolution 6

Concurrent resolution memorializing the Congress of the United States of America to enact legislation to provide pay and allowances for the adjutant general of the Territory of Hawaii

Whereas the act of Congress of June 3, 1916 (ch. 134, sec. 66, 39 Stat. 199), provides for the appointment of the adjutant general of the Territory of Hawaii by the President of the United States of America; and

Whereas the adjutant general of the Territory of Hawaii is an officer of the United States; and

Whereas the Congress of the United States of America appropriates annually a sum of money for the support of the National Guard of the United States: Now, therefore, be it

Resolved by the Senate of the Territory of Hawaii, seventeenth regular session (the house of representatives concurring), That the Congress of the United States of America be, and it hereby is, urgently requested to provide, by appropriate legislation or otherwise, the same pay, subsistence, rentals, and transportation for the adjutant general of the Territory of Hawaii as officers of corresponding grade of the Regular Army are or may be entitled to by law; and be it further

Resolved, That duly authenticated copies of this resolution be transmitted to the Delegate to Congress from Hawaii, the Secretary of War of the United States, and each of the two Houses of the Congress of the United States of America.

THE SENATE OF THE TERRITORY OF HAWAII,
Honolulu, T.H., April 5, 1933.

We hereby certify that the foregoing concurrent resolution was adopted by the Senate of the Territory of Hawaii on March 31, 1933.

GEO. P. COOKE,
President of the Senate.
ELLEN D. SMYTHE,
Clerk of the Senate.